An [**REDACTED**] *in our H Shares involves various risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our H Shares. Particularly, we are a biotech company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the* [**REDACTED**] *price of our H Shares could decline and you may lose all or part of your* [**REDACTED**]. *You should seek professional advice from your relevant advisers regarding your prospective* [**REDACTED**] *in the context of your particular circumstances.*

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT OF OUR DRUG CANDIDATES

Our business and financial prospects depend substantially on the success of our clinical-stage and preclinical-stage drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approval and achieve their commercialization, or if we experience significant delays in doing any of the foregoing, our business will be materially harmed.

As of the Latest Practicable Date, all of our drug candidates are still in development. Our ability to generate revenue and realize profitability depends on our ability to successfully complete the development of our drug candidates, obtain necessary regulatory approvals, and manufacture and commercialize our drug candidates. We have invested a significant portion of our efforts and financial resources in the development of our existing drug candidates, and we expect to continue to incur substantial and increasing expenditures for the development and commercialization of our drug candidates. The success of our drug candidates will depend on several factors, including but not limited to: (i) obtaining positive results in our clinical trials demonstrating efficacy, safety and durability of effect of our drug candidates; (ii) receipt of regulatory approvals for planned clinical trials, future clinical trials or drug registrations, manufacturing and commercialization; (iii) successful identification of potential drug candidates based on our research or business development methodology or search criteria and process; (iv) sufficient resources to acquire or discover additional drug candidates; (v) successfully launching commercial sales of our drug candidates, if and when approved; and (vi) continued acceptable safety profile of our drug candidates following regulatory approval.

We cannot guarantee that we will be able to obtain regulatory approvals for our drug candidates in a timely manner, or at all. In addition, none of our drug candidates has been approved for marketing in any jurisdiction. Our pipeline products may require additional preclinical and/or clinical development, regulatory approvals, building of manufacturing capabilities and supply capacities, and substantial investment and significant marketing efforts, before we are able to generate any revenue from product sales.

Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties executing our clinical trials and commercializing our drug candidates on a timely basis.

Clinical trials are expensive, difficult to design and implement, and the clinical outcomes are subject to high uncertainty. We may experience numerous unexpected events during, or as a result of, clinical trials that could delay us in or prevent us from receiving regulatory approvals for the development and commercialization of our drug candidates, including but not limited to situations whereby: (i) the patient enrollment may be insufficient or slower than we anticipate or patients may drop out or fail to return for post-treatment follow-up at a higher rate than anticipated; (ii) the costs of clinical trials of our drug candidates may be substantially higher than anticipated; (iii) our drug candidates may lack meaningful clinical responses, which may expose the participants to unacceptable health and safety risks; and (iv) our drug candidates may cause adverse events, have undesirable side effects or other unexpected characteristics, causing us or our investigators to suspend or terminate the trials.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, or if we are unable to successfully complete clinical trials of our drug candidates or other testing, or if the results of these trials or tests are not positive or are only modestly positive or if they raise safety concerns, we may be delayed in obtaining regulatory approval for our drug candidates or not obtain regulatory approval at all, or obtain

approval for proposed indications that are not as broad as intended. We may have the drug removed from the market even after obtaining regulatory approval. We may also be subject to additional post-marketing testing requirements and restrictions on how the drug is distributed or used.

The data and information that we gather in our research and development process could be inaccurate or incomplete, which could harm our business, reputation, financial condition and results of operations.

We collect, aggregate, process, and analyze data and information from our preclinical studies and clinical trials. If we make mistakes in the capture, input, or analysis of these data, our ability to advance the development of our drug candidates may be materially harmed and our business, prospects and reputation may suffer. We manage and submit data to governmental entities for procurement of necessary regulatory approvals. If any authority determines that we stored, handled, submitted, delivered, or displayed health information or other data in a wrongful or erroneous manner, we could be exposed to liability.

In addition, we rely on certain third parties to monitor and manage data for some of our ongoing preclinical studies and clinical trials and control only certain aspects of their activities. If any of our CROs or other third parties do not perform to our standards in terms of data accuracy or completeness, data from those preclinical and clinical trials may be compromised as a result, and our reliance on these parties does not relieve us of our regulatory responsibilities.

We may not be able to identify, discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates, to expand or maintain our product pipeline.

We cannot guarantee that we will be successful in identifying potential new drug candidates. Research programs to identify new drug candidates and drug targets or to pursue the development of our drug candidates for additional indications require substantial technical, financial and human resources. Our research programs may initially show promise in identifying potential indications and/or drug candidates, yet fail to yield results for clinical development for a number of reasons, including but not limited to the following factors: (i) the research methodology used may not be successful in identifying potential indications and/or new drug candidates; (ii) it may take greater resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates, thereby limiting our ability to diversify and expand our drug portfolio; or (iii) we may not be able to manufacture the right dosage form to match the appropriate route of administration during the development of our drug candidates.

Accordingly, there can be no assurance that we will be able to identify new drug candidates or additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs, which could materially and adversely affect our future growth and prospects. We may focus our efforts and resources on potential drug candidates or other potential programs that ultimately prove to be unsuccessful.

We invest substantial resources in research and development in order to develop, enhance or adapt to new technologies and methodologies, which may not be successful attempts.

The global autoimmune disease and neurodegenerative disease drug markets are constantly evolving, and we must keep pace with new technologies and methodologies to maintain our competitive position. For the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses were RMB127.3 million, RMB150.8 million, RMB24.8 million and RMB37.1 million, respectively. We need to continue to invest in human resources and technologies that will allow us to enhance the scope and quality of our research and development. We intend to continue to enhance our technical capabilities in drug discovery, development and manufacturing, which are capital-and-time-intensive. We cannot assure you that we will be able to develop, enhance or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or innovative drugs to market, obtain sufficient or any patent or other intellectual property protection for such new or innovative drugs, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such drugs are introduced to the market, that those drugs will achieve market acceptance. Any failure to do so may make our technologies obsolete, which could harm our business and prospects.

We face intense competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do, which may adversely affect our ability to successfully commercialize our drug candidates.

The development and commercialization of new drugs is highly competitive and subject to rapid and significant technological changes. We compete with major pharmaceutical companies, biotechnology companies, specialty pharmaceutical companies and research institutions, many of which have greater financial, technical and human resources, more established commercialization infrastructure and more advanced clinical-stage product candidates than we do. Even if our drug candidates have been successfully developed and subsequently approved by the NMPA, the FDA or other comparable regulatory authorities, we will still face competition in terms of safety, efficacy, tolerability, the timing and scope of the regulatory approvals, the availability and cost of supply, sales and marketing capabilities, price, patent position and other factors. Competitors may obtain approvals earlier, achieve stronger market acceptance or introduce more advanced technologies, which could adversely affect our competitive position. Industry consolidation, disruptive technologies and strategic collaborations among competitors may further intensify competition and reduce our market opportunities. In addition, competitors may compete with us for qualified personnel, clinical trial resources and access to complementary technologies.

If we encounter difficulties in enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

The successful and timely completion of clinical trials in accordance with their protocols depends on, among other things, our ability to timely enroll a sufficient number of patients who opt to participate and remain in the trial until its conclusion. We may fail to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in our clinical trials, or if there are delays in the enrollment of eligible patients as a result of the competitive clinical enrollment environment. The inability to enroll a sufficient number of patients who meet the applicable criteria for our clinical trials would result in significant delays or even failure of our trials, or incur substantial costs to find proper patients. Limited patient pool can also affect the quality and reliability of the clinical trial data.

Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent completion of these trials and materially and adversely affect our ability to advance the development of our drug candidates.

Adverse events caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a more restrictive label, a delay or denial of regulatory approval, or a significant change in our clinical protocol or even our development plan. Adverse events caused by our drug candidates, or caused by our drug candidates when used in combination with other drugs, as well as off-label use of our drug candidates could potentially cause significant negative consequences, which include, but are not limited to, the following: (i) regulatory authorities could interrupt, delay or halt pending clinical trials; (ii) regulatory authorities may order us to cease further development of, or delay or even deny approval of, our drug candidates for any or all targeted indications if results of our trials reveal a high and unacceptable severity or prevalence of certain adverse events; (iii) regulatory authorities may withdraw approvals or revoke licenses of an approved drug candidate, or we may determine to do so even if not required; (iv) regulatory authorities may require additional warnings on the label of an approved drug; (v) we may suspend, delay or alter development or marketing of our drug candidates; (vi) we may be required to change the way the drug candidate is administered or conduct post-market studies; (vii) we could be required to recall our drug candidates and subject to litigation proceedings and regulatory investigations and held liable for harm caused to patients exposed to or taking our drug candidates; and (viii) our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular drug candidate, and could materially and adversely affect our business, financial condition, results of operations and prospects.

Results of early clinical trials may not be predictive of future trial results.

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 of a clinical trial do not necessarily predict successful final results. Our drug candidates in later stages of clinical trials may fail to show the desired safety, immunogenicity and efficacy traits despite having progressed through preclinical studies and initial clinical trials. It is customary that various aspects of the development programs are altered along the way in an effort to optimize processes and results. Differences in the number of clinical trial sites and countries involved may also lead to variability between earlier and later-phase clinical trials. Constantly updated standard therapies may change patient resistance, which may affect the efficacy of our medicines. Such changes carry the inherent risks that they may not necessarily achieve the intended objectives. The results of planned clinical trials or other future clinical trials could be significantly different and other than as predicted, which could result in delays in the completion of clinical trials, regulatory approvals and commencement of commercialization of our drug candidates.

We may allocate our limited resources to pursue particular drug candidates or indications and fail to capitalize on other drug candidates or indications that may later prove to be more profitable, or for which there is a greater likelihood of success.

We may forgo or delay pursuit of opportunities with other drug candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Our spending on current and future drug candidates for specific indications may not yield any commercially viable products. Accordingly, our resource allocation decisions may cause us to fail to capitalize on other viable commercial products or profitable market opportunities. If we cannot accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights.

In conducting drug discovery, development and commercialization, we face potential liabilities, in particular, product liability claims or lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical trials and any future commercialization of our drug candidates inside and outside China. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable consumer protection laws. If we cannot successfully defend ourselves against the claims, we may incur substantial liabilities or be required to limit commercialization of our drug candidates. Even successful defense would require significant financial and management resources.

Liability claims may result in decreased demand for our drug candidates, injury to our reputation, withdrawal of clinical trial participants and inability to continue clinical trials, initiation of investigations, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients, product recalls, withdrawals, or labeling, marketing or promotional restrictions, loss of revenue, exhaustion of any available insurance and our capital resources, the inability to commercialize any approved drug candidate, and a decline in the market price of our H Shares.

It is possible that our liabilities could exceed our insurance coverage or that our insurance will not cover all situations in which a claim against us could be made. We may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. Should any of these events occur, it could have a material adverse effect on our business, financial condition and results of operations.

We have no track record with limited experience in launching and marketing approved drugs, and we may not be able to successfully create or increase market awareness of our drugs or sell our products, which will materially affect our ability to generate sales revenue.

Our financial performance depends on the successful launching and marketing of our clinical-stage and preclinical-stage drug candidates. Our ability to successfully commercialize approved drugs may involve more inherent risk, take longer, and cost more than it would if we were a company with experience launching and marketing approved drugs. If we are unable to, or decide not to, further develop internal sales, marketing and commercial distribution capabilities, we will likely pursue collaborative arrangements regarding the sales and marketing of our approved drugs.

However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or that we will have effective sales forces after establishing such collaborative arrangements. We would have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves in a cost-effective manner. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our drug candidates. In case we cannot develop and successfully maintain in-house sales and commercial distribution capabilities or collaborate with third parties to successfully commercialize our products, we may not be able to generate product sales revenue and our business and prospects may suffer.

RISKS RELATING TO THE MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

The manufacturing of pharmaceutical products is a complex process, and we have limited experience in manufacturing pharmaceutical products on a large commercial scale.

As of the Latest Practicable Date, we have not commercialized any drug candidates. As a result, we have limited experience in manufacturing pharmaceutical products on a commercial scale, which is a complex process, in part due to strict regulatory requirements. We cannot assure you that issues relating to the manufacturing of our drug candidates will not occur in the future. Issues may arise during the manufacturing process for reasons including: (i) equipment malfunction, (ii) failure to follow specific protocols and procedures, (iii) problems with raw materials, (iv) changes in manufacturing production sites or limits to manufacturing capacity due to regulatory requirements, (v) changes in the type of products produced, (vi) advances in manufacturing techniques, (vii) physical limitations that could inhibit continuous supply, and (viii) the occurrence of natural disasters. If problems arise during the production process of certain future products, a batch or several related batches of such products may have to be discarded and cause production delays, cost increases, lost revenue and damage to customer relationships and our reputation. If problems are not discovered before the relevant products are released to the market, we may incur additional costs in connection with product recalls and product liability.

We may not be able to maintain effective quality control over our drug products.

The quality of our products, including drug candidates we used for research and development purposes, will depend significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes, the quality and reliability of equipment used, the capabilities of the CMOs we engage and our ability to ensure that they adhere to our quality control and quality assurance protocol. We cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards or that our standard operating procedures will be complete or updated at all times.

Our drug candidates, once approved, may fail to achieve the degree of market acceptance by physicians, hospitals, patients, third-party payers and others in the medical community that would be necessary for their commercial success.

The commercial success of our drug candidates, upon regulatory approval, depends upon the degree of market acceptance each of such products achieves. Even if our drug candidates receive regulatory approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payers and others in the medical community. In addition, physicians, patients and third-party payers may prefer other products to ours. If our drug candidates do not achieve an adequate level of acceptance, we may not generate significant product sales revenue and we may not become profitable. The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on a number of factors, including, but not limited to: (i) the clinical indications for which our drug candidates are approved; and (ii) physicians, hospitals, medical treatment centers and patients considering our drug candidates as a safe and effective treatment.

If any approved drug candidates that we commercialize fail to achieve market acceptance among physicians, patients, hospitals, medical treatment centers or others in the medical community, we will not be able to generate revenue as we expect. Even if our future approved drug candidates achieve market acceptance, we may not be able to maintain such market acceptance over time if new products or technologies are introduced that are more favorably received than our drug candidates, are more cost-effective or render our drug candidates obsolete. Our failure to achieve or maintain market acceptance for our future approved drug candidates would materially and adversely affect our business, financial condition, results of operations and prospects.

The illegal and/or parallel import of competing drugs may reduce demand for our drug candidates and compromise reputation, which could adversely affect our business.

The illegal import of similar or competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our future approved drug candidates and, in turn, may adversely affect our sales and profitability in the jurisdictions where we plan to commercialize our drug candidates. Illegal imports of prescription drugs may continue to occur or even increase as the ability of patients and other customers to obtain these lower priced imports continues to grow. Furthermore, cross-border imports from lower-priced markets (parallel imports) into higher-priced markets could harm sales of our drugs and exert commercial pressure on pricing within one or more markets. Any future legislation or regulations that increase consumer access to lower priced imported medicines where we operate could have a material adverse effect on our business.

Certain pharmaceutical products distributed or sold in our target markets may be manufactured without proper licenses or approvals, or are fraudulently mislabeled with respect to their usage or manufacturers. Since counterfeit pharmaceutical products in many cases have very similar appearances compared with the authentic pharmaceutical products but are generally sold at lower prices, counterfeits of our products can quickly erode the demand for our future approved drug candidates.

Guidelines, recommendations and studies published by various organizations could disfavor our drug candidates.

Government agencies, professional societies, practice management groups, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' drugs and drug candidates. Any such guidelines, recommendations or studies that reflect negatively on our drug candidates, either directly or indirectly relevant to our competitive drug candidates, could result in current or potential decreased use of, sales of, and revenues from one or more of our drug candidates. Furthermore, our success depends in part on our ability to educate healthcare providers and patients about our drug candidates, and these education efforts could be rendered ineffective by, among other things, third parties' guidelines, recommendations or studies.

The national, provincial and other third-party drug reimbursement practices and drug pricing policies or regulations are evolving from time to time, which could impact our business.

The regulations that govern regulatory approvals, pricing and reimbursement for medical products vary widely from country to country. Our ability to commercialize any drug candidates will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payers may control costs by limiting coverage and the amount of reimbursement for particular medications.

The national or local medical insurance catalogs, as well as drug reimbursement lists are reviewed and updated regularly, which affects the amounts reimbursable to program participants for their purchases of drugs. There can be no assurance that any of our future approved drugs will be included in the national, provincial or local medical insurance catalogs. Drugs or medical products included in the national, provincial or local medical insurance catalogs are generally generic and essential drugs. Innovative drugs similar to our drug candidates have historically been more limited on their inclusion in such medical insurance catalogs. Even if our drug candidates have already obtained regulatory approval, any adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates.

Increasingly, third-party payers are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any approved drug candidates that we commercialize and, if reimbursement is available, what the level of reimbursement will be. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidates that we successfully develop.

Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Our inability to promptly obtain coverage and profitable

payment rates from both government-funded and private payers for any future approved drug candidates and any new drugs that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we are unable to obtain and maintain adequate intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially and adversely affected.

Our success depends in large part on our ability to protect our proprietary technologies and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. We seek to protect the drug candidates and technology that we consider commercially important by filing patent applications, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. In particular, we have sought patents for our core and major products. For further information on our patent portfolio, see "Business — Intellectual Property" in this document. However, the patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents at a reasonable cost or in a timely manner in all desirable jurisdictions. As a result, we may not be able to prevent competitors or other third parties from developing and commercializing competitive drugs in all such fields and jurisdictions. Furthermore, the patent position of pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

There is no uniform requirement or standard on patentability. Many jurisdictions have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many jurisdictions limit the enforceability of patents against government agencies or government contractors. If we or any of our collaborators are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be materially impaired and our business, financial condition, results of operations, and prospects may be adversely affected.

Patents may be invalidated and patent applications may not be granted for a number of reasons, including known or unknown prior art, deficiencies or defects in the patent applications or lack of novelty or an inventive step of the underlying invention or technology. We cannot assure you that all of our patent applications will be granted. It is also possible that we will fail to identify patentable subject matter of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, we cannot be certain that we or our collaborators were the first to make the inventions claimed in our owned or licensed patents or pending patent applications or that we or our collaborators were the first to file for patent protection of such inventions. Furthermore, if a third party can establish that we were not the first to file for patent protection of such inventions, our owned or licensed patent applications may not issue as patents and even if issued, may be challenged and invalidated or ruled unenforceable, and third parties may be granted a patent relating to a technology which we invented.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged. We may be subject to a third-party pre-issuance submission of prior art, or become involved in post-grant proceedings. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology, products or drug candidates and compete directly with us. Moreover, we may have to participate in interference proceedings declared by the intellectual property offices to determine priority of invention or in post-grant challenge proceedings that challenge the priority of our invention or other features of patentability of our patents and patent applications. Consequently, we do not know whether any of our technologies, products or drug candidates will be protectable or remain protected by valid and enforceable patents globally. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

Legal systems in certain jurisdictions may not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement, misappropriation or other violation of our patents or other intellectual property rights, or the marketing of competing drugs in violation of our proprietary rights in these jurisdictions. Proceedings to enforce our patent and other intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents and other intellectual property rights at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us.

Even if we obtain patent protection for our drug candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially and adversely affected.

The term of a patent, and the protection it affords, are limited. Even if we successfully obtain patent protection for a drug candidate, such drug candidate may face competition from generic or biosimilar medications once the patent has expired. Manufacturers of generic or biosimilar drugs may challenge the scope, validity or enforceability of our patents in court or before a patent office; thus, we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant drug candidate exclusively, which would have a material adverse effect on any potential sales of that drug candidate. The issued patents and pending patent applications, if issued, for our drug candidates are expected to expire on various dates. For the expiration dates of our issued patents for our drug candidates, see "Business — Intellectual Property" in this document. Upon the expiration of our issued patents or patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Even if we believe that we are eligible for certain patent term extensions, there can be no assurance that the applicable authorities will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we request. We may not be granted an extension and our competitive position, business, financial conditions, results of operations and prospects may be materially and adversely affected.

We may become involved in lawsuits to protect or enforce our intellectual property, or to defend against third-party claims, which could be expensive, time-consuming and unsuccessful.

Competitors or other third parties may challenge the ownership, validity and enforceability of our patents, infringe, misappropriate or otherwise violate our other intellectual property rights. Litigation and other proceedings in connection with any of the foregoing claims can be expensive and time-consuming and, even if resolved in our favor, may cause us to incur significant expenses and could distract management and our scientific and technical personnel from their normal responsibilities. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Any claims that we assert against perceived infringers and other violators could also provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, CNIPA or the applicable foreign counterpart, or made a misleading statement, during prosecution. Despite our efforts, we may not be able to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Moreover, we may not be able to uncover infringement against our patents in a timely manner. The outcome following legal assertions of invalidity and unenforceability is unpredictable. If such challenges are successful, we could lose patent protection for our drug candidates or be required to obtain licenses from third parties.

We may also be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed (if any in the future) patents, patent applications, trade secrets or other intellectual property as an inventor or co-inventor. If we fail in defending any such claims, we may lose valuable intellectual property rights. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Issued patents covering one or more of our drug candidates or technologies could be found invalid or unenforceable if challenged in court or administrative proceedings, potentially harming our competitive position.

Despite measures we take to obtain and maintain patent and other intellectual property rights with respect to our drug candidates, our intellectual property rights could be challenged or invalidated. Even if we conduct our patent prosecution in accordance with the duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability is unpredictable.

If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose the patent protection on a drug candidate. Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others. Even if we establish infringement, the court may decide not to grant an injunction against further infringing activities and instead award only monetary damages, which may not be an adequate remedy. In addition, if the breadth or strength of protection provided by our patents is threatened, it could dissuade companies from collaborating with us to license, develop, or commercialize our current or future drug candidates. Any loss of patent protection could have a material adverse impact on one or more of our drug candidates and our business.

If our trademarks and trade names are not adequately protected, then we may not be able to build brand recognition in our markets of interest and our business may be adversely affected.

We currently own issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. We cannot assure you that any currently pending trademark applications or any trademark applications we may file in the future will be approved. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially and adversely affect our business.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. If we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected.

If we are unable to protect the confidentiality of our trade secrets and confidential information, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property.

In addition to our issued patents and pending patent applications, we rely on our trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. We may not be able to prevent the unauthorized disclosure or use of our trade secrets and confidential information by the parties to these agreements. Additionally, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes.

Furthermore, our employees, consultants and advisors, including our senior management, may currently be, or were previously employed at other pharmaceutical companies, including our competitors or potential competitors. Some of these employees, consultants, and advisors, including each member of our senior management, may have executed proprietary rights, non-disclosure and

non-competition agreements in connection with such previous employment. We may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer.

Although we generally require intellectual property assignment agreements, such agreements may not be executed with all relevant parties, may be breached or may be ineffective due to pre-existing or competing obligations. As a result, we may face ownership or inventorship disputes, and if unsuccessful in defending such claims, we may lose rights to intellectual property important to our business.

Changes in patent and other intellectual property laws of China, the United States or other jurisdictions could diminish the value of intellectual property and impair the intellectual property protection of our drug candidate.

As is the case with other pharmaceutical companies, our success is heavily dependent on obtaining, maintaining, enforcing and defending intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical industry involves technological and legal complexity, and obtaining and enforcing pharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in China, the United States or other jurisdictions may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights.

The laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. There could be similar changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other intellectual property rights. Any of the foregoing could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future, as well as on our competitive position, business, financial condition, results of operations and prospects.

Patent protection depends on compliance with various procedural, regulatory and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the CNIPA, USPTO and other patent agencies in several stages over the lifetime of a patent. The CNIPA, USPTO and other similar governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application and maintenance process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Intellectual property rights do not necessarily protect us from all potential threats.

The intellectual property protection in various countries has its limitations, which may be insufficient to fully safeguard our business or enable us to maintain a competitive edge. The limitations of the intellectual property protection system include but not limited to (i) others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our intellectual property rights; (ii) our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; (iii) we may obtain patents for certain compounds many years before we obtain marketing approval for products containing such compounds, and because patents have a limited life, which may begin to run prior to the commercial sales of the related product, the commercial value of our patents may be limited; and (iv) we may choose not to file a patent for certain trade secrets or know-how, yet a third party may subsequently file a patent covering such intellectual property. Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We have entered into license and collaboration agreements with our partners, and may form or seek additional collaborations or strategic alliances or enter into additional licensing arrangements in the future. We may not realize all benefits of such alliances or licensing arrangements, and disputes may arise between us and our collaboration partners.

The development and potential commercialization of our drug candidates will require substantial additional capital to fund expenses. Historically we have entered into collaboration arrangements with third parties in relation to the development of our drug candidates. Please refer to "Business — Our Material Collaboration and Licensing Arrangements" in this document for further information. We may form or seek additional strategic partnerships, enter into licensing arrangements or establish other collaborative relationships with third parties that we believe will complement or augment our R&D and commercialization efforts with respect to our drug candidates. We may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business.

Furthermore, we face significant competition in seeking appropriate strategic partners with whom we collaborate to develop our drug candidates, and the negotiation process is time-consuming and complex. We may not be always successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates. If and when we collaborate with a third-party for the development and commercialization of a drug candidate, we may be required to relinquish some or all of the control over the future success of that drug candidate to the third-party.

Collaborations involving our drug candidates are subject to specific risks, which include, but are not limited to, the following: (i) collaborators may have significant discretion in determining the efforts and resources that they will apply to a collaboration; (ii) the collaboration and licensing agreements could be terminated upon a short notice, and collaborators may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus, potential acquisition of competitive drugs, changes in their pricing strategy, availability of funding, or other factors; and (iii) collaborators may delay clinical trials, provide insufficient funding for a clinical trial, discontinue a clinical trial, repeat or conduct new clinical trials, or require a new formulation of a drug candidate for clinical testing.

As a result, we cannot be certain that, following a strategic transaction or license, we will be able to achieve the revenue or specific net income that justifies such transaction.

We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially harmed.

We cannot guarantee the satisfactory performance of any of our collaborators. We have worked with and plan to continue to work with third-party CROs to monitor and manage data for our ongoing preclinical and clinical programs. We work with these parties to execute our preclinical studies and clinical trials, and control only certain aspects of their activities, which does not relieve us of our regulatory responsibilities. If we or any of our CROs or clinical investigators fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the NMPA, FDA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

We rely on collaborators in various respects, including to undertake R&D programs and conduct clinical trials, manage or assist with the regulatory filings and approval process, to support the supply of clinical trial materials, and to assist with our commercialization efforts. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates.

Our future revenue is dependent on our ability to work effectively with collaborators to develop our drug candidates, including to obtain regulatory approval. Our arrangements with collaborators will be critical to successfully bringing products to market and commercializing them. We cannot ensure that these third parties will adequately and timely perform all of their obligations to us.

We may rely on third parties to manufacture our drug products for clinical development and commercial sales and to provide a stable and adequate supply of quality materials and products for our drug development and commercialization needs. Our business could be harmed if these third parties suffer substantial disruption to supply chain and production facilities, encounter problems in manufacturing or fail to deliver sufficient quantities of product at acceptable quality or price levels.

To date, we have relied primarily on third-party service providers, including CMOs, to manufacture our drug candidates. See "Business — Manufacturing" for details. Going forward, we intend to continue to engage third-party CMOs to manufacture our drug candidates for our research and development activities and commercial sales, while gradually establishing our in-house manufacturing capabilities. Our anticipated reliance on contract manufacturers exposes us to certain risks, such as: (i) we or our licensees may be unable to identify manufacturers on acceptable terms or at all; (ii) the contract manufacturers may have little or no experience with manufacturing our drug candidates; and (iii) the contract manufacturers might be unable to timely manufacture our drug candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any.

In addition, during the Track Record Period, we and our CMOs relied on third parties to supply certain raw materials and products used in our research and development and clinical trials. We expect to continue to rely on third parties to supply raw materials for the research, development and commercialization of our drug candidates. Any disruption in production or the inability of our suppliers or suppliers of our CMOs to provide adequate quantities to meet our or our CMOs' needs could impair our operations and the research and development of our drug candidates. Moreover, we expect our demand for such raw materials and products to increase as we expand our business scale and commercialize our drug candidates, but there is no assurance that current suppliers have the capacity to meet our demand. The quality of the raw materials procured and products manufactured by CMOs will depend significantly on the effectiveness of our quality control and quality assurance and that of our CMOs. We cannot assure you that these quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards or that our operating procedures will be complete or updated at all times.

If our business partners fail to maintain the necessary licenses for the development, manufacturing and commercialization of our products, our business could be materially affected.

Our business partners, such as CROs, and suppliers, on whom we may rely on to develop, manufacture, market, sell and distribute our drug candidates, may be subject to requirement of obtaining and maintaining necessary permits, licenses and certificates in their operations. Our business partners may also be subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant permits, licenses and certificates. If our business partners fail to maintain or renew material permits, licenses and certificates, our ability to conduct our business could be materially impaired. Any changes in the standards used by governmental authorities in considering whether to renew or reassess our business partners' licenses, permits and certifications, as well as enactment of any new regulations that may restrict our business partners' operations, may also decrease our revenue and increase our costs, which in turn could materially and adversely affect our business, financial condition and results of operations.

If we cannot maintain or develop clinical collaborations and relationships with principal investigators, KOLs, physicians and other industry experts, our results of operations and prospects could be adversely affected.

Our relationships with principal investigators, key opinion leaders ("**KOLs**"), and physicians and other industry experts play an important role in our research and development and marketing activities. We cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with principal investigators, KOLs, physicians and other industry experts, or that our efforts to maintain or strengthen such relationships will lead to the successful development and marketing of new products. These industry participants may leave their roles,

change their business or practice focus, choose to no longer cooperate with us or cooperate with our competitors instead. If we are unable to develop and maintain our relationships with industry participants as anticipated, our business, financial condition and results of operations may be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

During the Track Record Period, we have incurred net losses and anticipate that we will continue to incur net losses for the foreseeable future and may not be able to achieve or maintain profitability. Potential [REDACTED] are at risk of losing substantially all of their [REDACTED] in our H Shares.

We have not generated any revenue from commercial product sales to date, and we continue to incur significant research and development costs and other expenses related to our ongoing operations. As a result, we have incurred loss for the year/period of RMB226.4 million, RMB312.5 million, RMB99.7 million and RMB73.1 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

Our net losses during the Track Record Period were primarily attributable to expenses incurred by our research and development activities, including those in relation to our preclinical studies and clinical trials. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses were RMB127.3 million, RMB150.8 million, RMB24.8 million and RMB37.1 million, respectively. Our ability to generate revenue and achieve profitability depends significantly on our success in advancing these drug candidates into later stages of clinical development, and obtaining regulatory approvals for each drug candidate, which we may not be able to do in a timely manner or at all. We expect to continue to incur net losses in the foreseeable future, and that these net losses may increase as we carry out certain activities relating to our development.

The size of our future net losses will depend, among other factors, on the rate of the future growth of our expenses, our ability to generate revenues and the timing and amount of milestone payments and other payments that we receive from or pay to third parties. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our business, financial condition and results of operation.

We are a clinical-stage biotechnology company with a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a clinical-stage biotechnology company with a limited operating history. Our operations to date have focused on establishing our intellectual property portfolio, conducting drug discovery, preclinical studies and clinical trials of our drug candidates, organizing and staffing our operations, business planning and raising capital. We have not yet demonstrated an ability to successfully obtain marketing approvals for, or commercialize, our drug candidates. Our limited operating history, particularly in light of the rapidly evolving drug research and development industry in which we operate and the changing regulatory and market environments we encounter, may make it difficult to evaluate our prospects for future performance. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting commercial activities. If we do not address these risks and difficulties successfully, our business will suffer.

We incurred net cash used in operating activities, net liabilities and net current liabilities during the Track Record Period, which may continue into the foreseeable future and expose us to liquidity risk.

As of December 31, 2024 and 2025 and March 31, 2026, we had net liabilities of RMB529.8 million, RMB838.1 million and RMB909.7 million, respectively. In addition, we had net current liabilities of RMB526.7 million, RMB821.7 million and RMB888.4 million as of December 31, 2024 and 2025 and March 31, 2026. We had net cash used in operating activities of RMB119.4 million, RMB11.1 million and RMB44.4 million in 2024, 2025 and the three months ended March 31, 2026, respectively. 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. See also "Financial Information — Liquidity and Capital Resources — Cash Flows." 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.

We have historically received financial incentives, such as government subsidies, and we may not continue to receive such incentives in the future.

We have historically received various government subsidies, including subsidies from different PRC governmental authorities to support the research and development for our drug candidates. We recognized government grants as other income of RMB1.2 million, RMB18.3 million, RMB9.0 million and RMB0.2 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. There is no assurance that we could continue to enjoy or maintain financial incentives or government subsidies at the historical levels, or at all, or apply for new financial incentives or government subsidies. Any change, suspension or termination of these government subsidies, or government financial incentives in other forms, may have a negative impact on our business, financial condition and results of operations.

We are subject to credit risks arising from our prepayments and other receivables.

As of December 31, 2024 and 2025 and March 31, 2026, we had prepayments and other receivables of RMB16.4 million, RMB16.9 million and RMB17.9 million, respectively. We may be exposed to credit risk with our counterparties and may not be able to collect all of such receivables due to a variety of factors that are outside of our control. If the relationship between us and any of our counterparties is terminated or deteriorated, or if our counterparties experience financial or operational difficulties, the recoverability of our receivables may be negatively affected, which may have a material and adverse effect on our business, financial condition and results of operations.

Changes in fair value of financial instruments issued to investors and related valuation uncertainty may materially affect our financial condition and results of operations.

Our changes in fair value of financial instruments issued to investors represented losses from changes in fair value of instruments with special rights we issued to our investors in previous financings. We recorded changes in fair value of financial instruments issued to investors at FVPL of RMB94.0 million, RMB154.9 million, RMB27.0 million and RMB27.8 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The financial instruments issued to investors were not traded in an active market and the respective fair value is determined by using valuation techniques. The discounted cash flow and back-solve method was used to determine the fair value of the underlying shares of our Company and an equity allocation was performed based on the option pricing model. See Note 21 of the Accountants' Report in Appendix I to this document for details. Any change in the assumptions may lead to different valuation results and, in turn, changes in the fair value of these financial instruments issued to investors. Further, the financial instruments issued to investors will be transferred to equity upon the [**REDACTED**]. To the extent we need to revalue the financial instruments issued to investors prior to the [**REDACTED**], any change in fair value of the financial instruments issued to investors and related valuation uncertainty could materially affect our financial position and results of operations.

Our financial performance and results of operations may be adversely affected by fair value changes of other financial instruments.

During the Track Record Period, our changes in fair value of other financial instruments mainly represented changes in fair value of ordinary shares of Biohaven and net realized and unrealized gain on other financial assets at FVPL in relation with our negotiable certificate of deposits with banks. In 2024 and the three months ended March 31, 2026, we recorded a gain in fair value of other financial instruments of RMB3.3 million and RMB0.4 million, respectively. In 2025 and the three months ended March 31, 2025, we recorded a loss in fair value of other financial instruments of RMB101.0 million and RMB54.6 million, respectively. The performance of Biohaven, including but not limited to the commercial success of their drug candidates, affected our results of operation. We have disposed all the shares of Biohaven in December 2025. In addition, for our financial assets at FVPL, if the fair value of our investments were to fluctuate, our results of operations may be materially and adversely affected.

We may need to obtain additional financing to fund our operations even if we consummate the [REDACTED], and if we fail to obtain such financing, we may be unable to complete the development and commercialization of our primary drug candidates.

During the Track Record Period, we funded our operations primarily through equity financing and revenue from our out-licensing and collaboration agreements. We expect our expenses to increase significantly in connection with our ongoing activities, particularly as we advance the clinical development of our clinical-stage drug candidates, continue the research and development of our preclinical-stage drug candidates and initiate additional clinical trials of, and seek regulatory approval for, these and other future drug candidates. We may need to secure substantial additional funding in connection with our continuing operations through public or private equity offerings, debt financing, collaborations or licensing arrangements or other sources. We expect to fund our future operations primarily with existing cash and cash equivalents, revenue from our out-license and collaboration agreements, and [**REDACTED**] from the [**REDACTED**]. Upon successful commercialization of one or more of our drug candidates, if approved, we expect to fund our operations in part with income generated from sales of our commercialized drug products. Changes in our ability to fund our operations may affect our cash flow and results of operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, limit, reduce or terminate our research and development programs or any future commercialization efforts.

We have granted, may continue to grant, certain awards under our Employee Incentive Scheme, which may result in increased equity-settled share-based payments.

We adopted the Employee Incentive Scheme and granted restricted shares to certain employees and our Directors to incentivize and reward the eligible persons who contributed and would continue to contribute to the success of our Company. In 2024, 2025 and the three months ended March 31, 2025 and 2026, we recorded non-cash equity-settled share-based payment expenses of RMB0.5 million, RMB3.4 million, RMB0.2 million and RMB1.6 million, respectively. To further incentivize our employees and Directors and align their interests with ours, we may grant additional share-based compensation in the future. Expenses incurred with respect to such equity-settled share-based payments may increase our operating expenses and therefore have an adverse effect on our financial performance. [**REDACTED**] of additional Shares with respect to such equity-settled share-based payments may also dilute the shareholding percentage of our existing Shareholders.

Fluctuations in exchange rates could result in foreign currency exchange losses.

The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar, at times significantly and unpredictably. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in political and economic conditions and by foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or U.S. dollar in the future. The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to complete filings with and obtain approvals from the State Administration of Foreign Exchange of the PRC (the "**SAFE**") before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

RISKS RELATING TO OUR OPERATIONS

The loss of any key members of our senior management team or our inability to attract and retain highly skilled scientists, clinical and sales personnel could delay or prevent the successful development of our drug candidates and result in a material and adverse effect on our business and results of operations.

Our commercial success depends significantly on the continued service of our senior management. For more details of our senior management, see "Directors and Senior Management" in this document. The loss of any of our senior management could have a material adverse effect on our business and operations. Our formal employment agreements with each of our executive officers do not prevent our executives from terminating their employment with us at any time. We may not be able to retain the services of, or attract and retain, experienced senior management or key scientific and clinical personnel in the future. The departure of one or more of our senior

management or key scientific and clinical personnel may subject us to risks relating to replacing them in a timely manner or at all, which may disrupt our drug development progress and have a material adverse effect on our business and results of operations.

Furthermore, replacing executive officers, key employees or consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products like those we develop. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms given the competition among numerous pharmaceutical and biopharmaceutical companies for similar personnel. In addition, we may not be successful in training our professionals to keep pace with 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.

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition, results of operations and prospects could suffer.

We are a growing company working on an expanding pipeline of drug candidates. Our future financial performance and our ability to commercialize our drug candidates will depend, in part, on our ability to effectively manage our recent growth and any future growth. We might not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational inefficiencies, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

If we are not able to effectively manage our growth and further expand our organization by hiring new employees and expanding our groups of consultants and contractors as needed, we may not be able to successfully implement the tasks necessary to further develop and commercialize our drug candidates and, accordingly, may not achieve our research, development and commercialization goals. Our failure to do so could materially and adversely affect our business, financial condition, results of operations and prospects.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, cause dilution to our Shareholders, cause us to incur debt or assume contingent liabilities and subject us to other risks.

From time to time, we may evaluate various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including but not limited to (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; and (iv) assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel.

Moreover, we may not be able to locate suitable acquisition opportunities and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control.

Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or may be susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

We may be exposed to risks of conducting our business and operations in international markets. Disruptions in the financial markets and economic conditions could affect our business and results of operations and our ability to raise capital.

International markets are an important component of our growth strategy. We will continue to seek licensing and co-development opportunities with global biopharmaceutical companies and expand our global clinical programs. However, such activities may subject us to additional risks that may materially and adversely affect our ability to attain or sustain profitable operations, including but not limited to: (i) changes in a specific country's or region's political and cultural climate or economic condition; (ii) unexpected changes in laws and regulatory requirements in local jurisdictions; (iii) the occurrence of economic weakness, including inflation or political instability; (iv) trade protection measures, import or export licensing requirements and fines, penalties or suspension or revocation of export privileges; and (v) non-compliance with tax, employment, immigration and labor laws.

Furthermore, global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors. In the past, governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions. If these actions are not successful, the return of adverse economic conditions may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms or at all.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could adversely affect our business, financial conditions, results of operations and reputation.

From time to time, we may be involved in inspections, claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product liability, privacy protection, environmental and safety matters, breach of contract, employment or labor disputes and intellectual property rights. Any inspections, claims, disputes or legal proceedings initiated by us or brought against us, our Directors and senior management, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, inspections, claims, disputes or legal proceedings against us, our Directors and senior management may be due to actions taken by our counterparties, such as our suppliers, CROs and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources, which may negatively impact our research and development progress and overall operations.

We maintain industry-standard benefit plans in accordance with relevant laws and regulations, based on our assessment of our operational needs and industry practice. Our insurance coverage may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations. In line with general market practice, we have elected not to maintain certain types of insurances, such as business interruption insurance or key man insurance. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

Increased labor costs could result in exceeding expenses, slow our growth and affect our operations.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including management, technical, research and development, sales and marketing, production, quality control and other personnel. We face intense competition in recruiting and retaining qualified personnel, as competitors are competing for the same pool of qualified personnel and our remuneration packages may not be as competitive as those of our competitors. Increasing market competition may cause market demand and competition for qualified employees to intensify. If we face labor shortages or significant increases in labor costs, higher employee turnover rates or changes to labor laws and regulations, our operating costs could increase significantly, which could materially and adversely affect our results of operations. In addition, we could face labor disputes with our employees, which could lead to fines by

governmental authorities and settlement costs to resolve the disputes. Labor disputes could also make it more difficult to recruit new employees due to the reputational damage caused. Any of the foregoing changes could have a material adverse effect on our business, results of operations and prospects.

We are subject to risks associated with our leased properties.

We have leased certain properties in PRC for R&D and office use and as employee dormitories. Pursuant to PRC laws, both lessors and lessees are required to file the lease agreements with relevant authorities for record and obtain property leasing filing certificates for their leases. In practice, as the filing of the lease agreements requires the coordination of both lessors and lessees, we cannot assure you that the lessors will cooperate and complete the registration in a timely manner. As of the Latest Practicable Date, we and the lessors had not filed four of our leases with the governmental authorities. However, we may face fines if we do not rectify this non-compliance within the specified time frame after being notified by the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority.

Any failure to comply with the PRC regulations regarding mandatory social insurance and housing provident fund contributions may subject us to fines and other legal or administrative sanctions.

According to the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), as amended in 2002 and 2019, any employer operating in China must undertake registration of contribution to the housing provident fund and contribute housing provident fund for its employees. Any failure to registration may trigger an order of correction where correction is not made within a specified period of time, the competent authority may further impose fines. Any failure to make timely and adequate contribution of housing provident fund for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue housing provident fund within a specified period of time; where the contribution has not been made is not made within the specified period, an application may be made to a people's court for compulsory enforcement.

As the laws and policies related to social insurance and housing provident fund may continue to evolve, we cannot assure you that our employment policies and practices will always be regarded as fully complying with the relevant laws and regulations in China, and we may face labor disputes or government investigations. We cannot guarantee that the amount of social insurance and housing provident fund contributions we would be required to pay will not increase, nor that we would not be required to pay any shortfall or be subject to any penalties or fines, any of which may have a material and adverse effect on our business and results of operations.

If we or our CROs, CMOs, or other business partners fail to comply with environmental, health and safety laws and regulations, we could be subject to fines or penalties and other negative consequences that could adversely affect our business, financial condition, results of operations and prospects.

We and certain third parties we work with, such as our CROs, CMOs and business partners, are subject to numerous environmental, health and safety laws and regulations. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We may also incur liabilities due to injuries to our employees resulting from the use of or exposure to hazardous materials, and we do not maintain insurance covering such potential liabilities. In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Our information technology systems, or those used by our CROs, CMOs or contractors or consultants, may fail or suffer security breaches, which may require us to expend additional resources to protect our information technology systems and could materially and adversely affect our business, financial condition, results of operations and prospects.

Our internal computer systems and those of our current and future third-party vendors, collaborators, consultants, and third parties performing services for us, as well as our clinical sites and regulatory authorities, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, and telecommunication and electrical failures. Although we have not experienced any such material system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a disruption of our drug candidate development and our business operations. To the extent that any disruption or security breach were to result in the theft or destruction of intellectual property, data, or other misappropriation of assets, financial loss, or otherwise compromise our confidential or proprietary information and disrupt our operations, our competitive position could be harmed, and the further development and commercialization of our drug candidates could be delayed.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification, or intentional or accidental release or loss of information maintained in the information systems and networks of our Company, our third-party vendors, and clinical sites, including personal information of our employees and, potentially, our clinical study patients, and company and vendor confidential data. We may experience threats to our data and systems, including malicious codes and viruses, phishing, and other cyber-attacks. The number and complexity of these threats continue to increase over time. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. In addition, we could be subject to regulatory actions or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations.

Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. There can be no assurance that our internal information technology systems, or those of third parties with which we conduct business, will be sufficient to protect us against breakdowns, service disruption, data deterioration, or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyberattack, security breach, industrial espionage attacks, or insider threat attacks, which could result in financial, legal, business, or reputational harm.

Our reputation is important to our business success, and damage to our reputation may adversely affect our business.

We, our Shareholders, Directors, officers, employees, collaboration partners, suppliers, or other third parties we cooperate with or rely on may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees, collaboration partners, suppliers or other third parties we work with or rely on were non-compliant with any laws or regulations, we may also suffer negative publicity or harm to our reputation. Any negative publicity regarding our industry could also affect our reputation and commercialization. As a result, we may be required to spend significant time and incur substantial costs to respond and protect our reputation, and we cannot assure you that we will be able to do so within a reasonable period of time, or at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely affected.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development, manufacturing and commercialization of our drug candidates are heavily regulated and are subject to change. Any failure to comply with current and evolving regulations and industry standards or any adverse actions by the regulatory authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

All jurisdictions in which we intend to develop and commercialize our drug candidates regulate these activities in great depth and detail. We intend to initially focus our activities in China while pursuing overseas opportunities, particularly in the United States. The pharmaceutical and biopharmaceutical industries in these jurisdictions are subject to comprehensive government regulation and supervision, in particular, regulation of the development, approval, manufacturing, marketing, sales and distribution of products. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in each of these regions.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Any recently enacted and future legislations may increase the difficulty and cost for us to obtain regulatory approval of, and commercialize, our drug candidates, and affect the prices we may obtain. In addition, we are subject to scheduled or unscheduled periodic inspections of our facilities to monitor our regulatory compliance. If any regulatory authorities consider that we were operating without the requisite approvals, licenses or permits or promulgates new laws and regulations that require additional approvals or licenses or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Failure to comply with the applicable regulatory requirements in the jurisdictions we operate or target to operate in the future at any time during the drug development process or approval process, or after approval, may subject us to administrative or judicial sanctions, which could therefore materially and adversely affect our business, financial condition, results of operations and prospects.

Changes in government regulations or in practices relating to the biopharmaceutical industry may affect our business.

Changes in government regulations or in practices relating to the biopharmaceutical industry, such as a relaxation in regulatory requirements, or the introduction of simplified approval procedures, which would lower the entry barrier for potential competitors, or an increase in regulatory requirements, which may increase the difficulty for us to satisfy such requirements, and may impact our business, financial condition, results of operations, and prospects. In response to emergent situations for public interests, governments in the world may take actions to protect their citizens that could affect our ability to control the production and export of medical products or otherwise impose burdensome regulations on our business.

The regulatory approval processes of regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be materially and substantially affected.

Significant time, efforts and expenses are required to bring our drug candidates to market in compliance with the regulatory process, and we cannot assure you that any of our drug candidates will be approved for sale. The time required to obtain approvals from the NMPA, the FDA and other comparable regulatory authorities is often unpredictable, and depends on numerous factors, including the substantial discretion of the regulatory authorities. Our drug candidates could fail to receive regulatory approval in a timely manner for many reasons, including but not limited to: (i)

failure to begin or complete clinical trials due to disagreements with regulatory authorities; (ii) failure to demonstrate that a drug candidate is safe and effective or, it is safe, pure, and potent for its proposed indication; and (iii) failure of clinical trial results to meet the level of statistical significance required for approval.

In addition, the NMPA, the FDA or a comparable regulatory authority may require more information to support approval, which may prolong, delay or prevent approval of our commercialization plans, or we may decide to abandon the development programs. Changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to competent regulatory authorities to reflect these changes. Resubmission may impact the costs, timing or successful completion of a clinical trial. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may not obtain the regulatory approvals or may lose the approvals that we may have obtained and we may not achieve or sustain profitability.

Additionally, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. We cannot assure you that we will be able to meet regulatory requirements of different jurisdictions or that our drug candidates will be approved for sale in those jurisdictions. Additional time, effort and expense may be required to bring our drug candidates, upon regulatory approval, to the international markets in compliance with different regulatory processes. If we experience delays in the completion of, or the termination of, a clinical trial of any of our drug candidates, the commercial prospects of that drug candidate will be harmed, and our ability to generate product sales revenues from any of those drug candidates will be compromised. Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our drug candidates.

We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security in data storage, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

Data protection and privacy laws and regulations generally require clinical trial sponsors and operators and their personnel to protect the privacy of their enrolled subjects and prohibit unauthorized disclosure of personal information. If such institutions or personnel divulge the subjects' private or medical records without their consent, they will be held liable for damage caused thereby. We routinely receive, collect, generate, store, process, transmit and maintain medical data, treatment records and other personal details of the subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant local, state, national and international data protection and privacy laws, directives, regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations. Currently, we are primarily subject to numerous PRC laws and U.S. federal and state laws governing data protection and privacy. For further details, please refer to the section headed "Regulatory Overview."

Certain industry-specific laws and regulations affect the collection and transfer of data in China. The Regulations on the Administration of Human Genetic Resources of the PRC or the HGR Regulation, was promulgated by the State Council in May 2019 and further amended in March 2024. It stipulates that foreign organizations, individuals, and the entities established or actually controlled by foreign organizations or individuals are forbidden to collect, preserve and export China's human genetic resources. Foreign organizations and the entities established or actually controlled by foreign organizations or individuals may only utilize and be provided with China's human genetic resources after satisfaction of all regulatory requirements, such as (i) China's human genetic resources being utilized only in international cooperation with Chinese scientific research institutions, universities, medical institutions, and enterprises for scientific research and clinical

trials after completion of requisite approval or filing formalities with competent governmental authorities, and (ii) China's human genetic resources information being provided after required security review, filing and information backup procedures have been gone through. In October 2020, the SCNPC promulgated the Biosecurity Law of the PRC, which became effective in April 2021 and further amended in April 2024. The Biosecurity Law of the PRC reaffirms the regulatory requirements stipulated by the HGR Regulation while potentially increasing the administrative sanctions where China's human genetic resources are collected, preserved, exported or used in international cooperation in violation of applicable laws. The interpretation and implementation of the HGR Regulation and the related laws and regulations may vary from time to time. Given such circumstance, although we have made great efforts to comply with mandatory requirements of laws and government authorities in this regard, we cannot assure you that we will be deemed at all times in full compliance with the HGR Regulation, the Biosecurity Law of the PRC and other applicable laws in our utilizing of and dealing with China's human genetic resources. As a result, we may be exposed to compliance risks under the HGR Regulation and the Biosecurity Law of the PRC and the applicable laws and regulations.

Complying with all applicable laws, regulations, standards and obligations relating to data privacy, security, and transfers may cause us to incur substantial operational costs or require us to modify our data processing practices and processes. Non-compliance could result in proceedings against us by data protection authorities, governmental entities or others, including class action privacy litigation in certain jurisdictions, which would subject us to significant fines, penalties, judgments and negative publicity. In addition, if our practices are not consistent or viewed as not consistent with legal and regulatory requirements, including changes in laws, regulations and standards or new interpretations or applications of existing laws, regulations and standards, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and reputational damage. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. In addition, our clinical trials also frequently involve professionals from third-party institutions working on-site with our staff and enrolled subjects. We cannot ensure that such persons will always comply with our data privacy measures.

Even after we obtain regulatory approval for the marketing and distribution of our drug candidates, our products will be subject to ongoing and evolving regulatory obligations and continued regulatory review, which may result in significant additional expenses, and we may be subject to penalties or other adverse consequences if we fail to comply with regulatory requirements or experience unanticipated problems with our drug candidates.

Even after obtaining regulatory approval, our drug candidates will remain subject to extensive, ongoing, and evolving regulatory obligations, including requirements for manufacturing, labeling, packaging, storage, distribution, adverse event reporting, advertising, promotion, sampling, recordkeeping, and post-marketing studies. Approvals may also be limited to specific indications or conditions and may require costly post-marketing studies to monitor safety and efficacy. Subsequent discovery of previously unknown problems, including issues with manufacturing or non-compliance with regulatory requirements, could result in restrictions on marketing or manufacturing, product recalls, fines, warning letters, clinical holds, suspension or revocation of approvals, seizure of products, injunctions, or civil, administrative, or criminal penalties. Marketing and promotion are strictly regulated and off-label promotion could expose us to significant liability, investigations, and negative publicity. Changes in regulatory policies or new regulations could further delay, limit, or prevent approval, or jeopardize previously obtained approvals, materially and adversely affecting our business, financial condition, results of operations, and prospects.

We may be directly or indirectly subject to applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in relevant jurisdictions, which could, in the event of noncompliance, expose us to administrative sanctions, criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Our business operations and current and future arrangements with clinical site investigators, healthcare professionals, consultants, third-party payors, patient organizations, and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we market, sell, and distribute our drug candidates, if approved. Law enforcement authorities are increasingly focusing on enforcing these laws. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs and failure to comply could result in civil, criminal, or administrative penalties, fines, disgorgement, damages, exclusion from government programs, reputational harm, reduced profits, or curtailment of operations. Anti-bribery laws prohibit improper payments to government officials or other third parties to obtain business advantages, and violation could disrupt operations and result in severe penalties. As we expand globally, we may become subject to additional anti-fraud, anti-corruption, and healthcare compliance laws in other jurisdictions, and ambiguity in the scope or application of these laws may increase our risk exposure. Even if we successfully defend against enforcement actions, defending claims can be costly and time-consuming, and our business operations may still be materially and adversely affected.

Changes in political and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

A substantial portion of our operations are based in the PRC, our business, financial condition, results of operations and prospects may be affected by economic, political, social and legal developments in China. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources; however, we cannot guarantee the extent to which our business operations will be able to benefit from such measures, if at all. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may have a material and adverse effect on our business, financial condition, results of operations and prospects.

Changes in international trade policies may cause significant disruptions to our business and results of operations.

We are susceptible to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions. Tensions and political concerns between China and other countries or regions may adversely affect our business, financial condition, results of operations, cash flows and prospects. China's political relationships with foreign countries and regions may affect the prospects of our relationship with third parties, such as business partners, suppliers and future customers. There can be no assurance that our existing or potential service providers or collaboration partners 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 future products and adversely affect our business, financial condition, results of operations, cash flows and prospects. Rising trade and political tensions, as well as changes in relevant government policies could reduce levels of trades, investments, technological exchanges and other economic activities between China and other countries and regions. While we have not started commercialization of drug candidates, any rising trade and political tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our drug products. In addition, rising trade and political tensions, heightened government scrutiny or unfavorable government policies may also affect our existing and future relationships with shareholders and business partners. Any failure in confirming and continuing business relationships with our existing partners or any delay in identifying and entering into commercially reasonable business relationship with a new partner could harm our ability to develop, manufacture and distribute our drug candidates as planned or within budget, which could materially and adversely affect our business, financial condition and results of operations.

Recent legislative and political developments in the United States reflect intensifying scrutiny of PRC-linked biotechnology companies. In particular, the United States government's attitude towards Chinese service providers in pharmaceutical and biotechnology industries may directly or indirectly affect our business operations. The United States has recently passed legislation, namely the BIOSECURE Act (the "**BIOSECURE Act**"), to prohibit U.S. federal executive agencies from procuring or obtaining any biotechnology equipment or service produced or provided by a "biotechnology company of concern", or entering into or renewing a contract, loan, or grant with an entity that uses such biotechnology service or equipment. For details, see "Regulatory Overview — Overview of Laws and Regulations in the United States — Recently Passed Law by the U.S. Government: The BIOSECURE Act". There is no guarantee that the legislation would not apply to or impact certain biotechnology equipment or services that we procure or use. As a result, any continued use of such biotechnology equipment or services provided or produced could affect our ability to continue our development or the third parties that we may contract with, which may, in turn, affect our business operations. Moreover, because the provisions remain subject to change, the potential scope, timing and impact of any final legislation are uncertain and could be more restrictive than currently anticipated. Consequently, we may need to re-evaluate or adjust our established supply chains now that the BIOSECURE Act has become law. The need to re-evaluate our supply chain contracts may impose additional costs and operational complexities on our business, including, among other things, an examination and potential modification to existing personnel and expertise, and examination of our existing contracts, and a re-assessment of our current suppliers in order to identify possible alternative sources of supply. We may not be able to identify alternative sources of supply with competitive prices and terms and satisfactory quality in a timely manner, and any disruption to our established supply chains may lead to delays in procurement, production, and delivery, all of which could have a material adverse effect to our business, financial condition and results of operation.

RISKS RELATING TO THE [REDACTED]

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

No public market currently exists for our H Shares. The initial [**REDACTED**] for our H Shares to the public will be the result of our negotiations with the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and the [**REDACTED**] may differ significantly from the market price of the H Shares following the [**REDACTED**]. We have applied to the Stock Exchange for [**REDACTED**] of, and permission to deal in, our [**REDACTED**]. A [**REDACTED**] on the Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] market for our H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the market price of the H Shares will not decline following the [**REDACTED**].

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

The [**REDACTED**] and [**REDACTED**] volume 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 [**REDACTED**] and [**REDACTED**] volume of our H Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] volume of our H Shares may be highly volatile for specific business reasons, including but not limited to: (i) the results of clinical trials of our drug candidates; (ii) the results of our applications for regulatory approvals of our drug candidates; and (iii) regulatory developments affecting the pharmaceutical industry, healthcare, health insurance and other related matters. Moreover, shares of other companies [**REDACTED**] on the Stock Exchange 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.

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.

Prior to the [**REDACTED**], there has not been a public market for 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 the 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.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the supply of our H Shares in the market and negatively impact the price of our H Shares.

Potential conversion of Unlisted Shares into H Shares may result in an increase in the number of our H Shares available in the market, which could, in turn, affect the [**REDACTED**] of our H Shares. Our remaining Unlisted Shares may also be converted into H Shares upon completion of required procedures in the future, and such converted shares may be [**REDACTED**] or [**REDACTED**] on an overseas stock exchange, provided that, prior to the conversion and [**REDACTED**] of such converted shares, any requisite filings with relevant PRC regulatory authorities shall be completed. However, the PRC Company Law provides that in relation to the public offering of a company, the shares of that company which are issued prior to the public offering shall not be transferred within one year from the date of listing of the public offering. Therefore, upon completing the requisite filing, our Unlisted Shares may be [**REDACTED**], after the conversion, in the form of H Shares on the Hong Kong Stock Exchange one year after this [**REDACTED**], which at that time could further increase the number of our H Shares available in the market and may negatively impact the market price of our H Shares.

Potential [REDACTED] will experience immediate and substantial dilution as a result of the [REDACTED] and will experience further dilution if we [REDACTED] additional H Shares or other equity securities in the future.

Potential [**REDACTED**] will pay a price per H Share in the [**REDACTED**] that substantially exceeds the per H Share value of our tangible assets after subtracting our total liabilities as of March 31, 2026. Therefore, purchasers of our H Shares in the [**REDACTED**] will experience a substantial immediate dilution in [**REDACTED**] net tangible assets, and our existing Shareholders will receive an increase in the [**REDACTED**] adjusted net tangible assets per Share on their Shares. As a result, if we were to distribute our net tangible assets to the Shareholders immediately following the [**REDACTED**], potential [**REDACTED**] would receive less than the amount they paid for their H Shares. See "Appendix II — Unaudited [**REDACTED**] Financial Information" for details.

Because we do not expect to pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our H Shares for a return on your [REDACTED].

We currently intend to retain most, if not all, of our available funds and any future earnings after the [**REDACTED**] to fund the development and commercialization of our pipeline drug candidates. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an [**REDACTED**] in our H Shares as a source for any future dividend income. Our Board has complete discretion as to whether to distribute dividends. The timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant

by our Board. There is no guarantee that our H Shares will appreciate in value after the [**REDACTED**] or even maintain the price at which you purchased the H Shares. You may not realize a return on your [**REDACTED**] in our H Shares and you may even lose your entire [**REDACTED**] in our H Shares.

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official government sources contained in this document.

Certain facts, statistics and data contained in this document relating to the pharmaceutical industry in and outside China have been derived from various official government publications, industry associations, independent research institutions, third party reports and/or other publicly available sources we generally believe to be reliable, as well as a report prepared by Frost & Sullivan that we commissioned. We believe that the sources of such information are appropriate sources for such information, but the information obtained from official governmental sources has not been independently verified by us or any other party involved in the [**REDACTED**] and no representation is given as to its accuracy.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward-looking statement 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. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events, or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

Subsequent to the date of this document but prior to the completion of the [**REDACTED**], there may be press and media coverage regarding us and the [**REDACTED**], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. You should rely solely upon the information contained in this document, the [**REDACTED**] and any formal announcements made by us in making your [**REDACTED**] decision regarding our H Shares. 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. Accordingly, prospective [**REDACTED**] are cautioned to make their [**REDACTED**] decisions on the basis of the information contained in this document only and should not rely on any other information.