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Application Proof of



Hangzhou Highlightll Pharmaceutical Co., Ltd.

杭州高光製藥股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

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Hangzhou Highlightll Pharmaceutical Co., Ltd. 杭州高光製藥股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

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[REDACTED]

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CONTENTS

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SUMMARY

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

OVERVIEW

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

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

SUMMARY

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

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

★ Core Product Autoimmune Disease Therapies Neurodegenerative Disease Therapies

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

SUMMARY

Notes:

1. Within our autoimmune franchise, we have discovered TLL-009, a TYK2/JAK1 inhibitor which we have out-licensed to Shanghai Tenovation Biopharmaceutical Co., Ltd (“**Tenovation**”) for its development and commercialization in veterinary applications. See “Business — Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Tenovation for TLL-009” for details.
2. Within our neurodegenerative franchise, TLL-041, HL-400 and HL-500 are separate and distinct drug candidates targeting Parkinson’s disease, with different molecular profiles, distinct mechanism of action, and independent development pathways. Each drug candidate targets a separate biological pathway and is being advanced to assess its individual therapeutic contribution. If successfully developed, these candidates may be used as combination, reflecting their complementary mechanisms and the potential for synergistic therapeutic effects. The clinical trials conducted or to be conducted by Biohaven or us for TLL-041 are designed specifically for that product candidate and are not intended to support, and will not be relied upon by, us for the research, development or regulatory advancement of HL-400 or HL-500. Each of HL-400 and HL-500 will be advanced based on its own non-clinical and clinical data package generated independently by us.
3. For TLL-018, we completed two Phase I clinical trials in healthy subjects in the United States and China in December 2020 and November 2021, respectively. Following completion of these Phase I trials, we prioritized the clinical development of TLL-018 in rheumatoid arthritis (RA) and chronic spontaneous urticaria (CSU) in China. The Phase Ib clinical trial in CSU and the Phase IIa clinical trial in RA, each conducted and completed in China in August 2023 and December 2023, respectively, were standalone clinical trials conducted under separate and independent clinical trial protocols, each of which obtained separate IND approvals from the NMPA. Following completion of these trials and based on the safety, tolerability, pharmacokinetic and preliminary efficacy data generated therefrom, we engaged in end-of-Phase II (EOP2) communications with the CDE of the NMPA and subsequently initiated Phase III registrational trials for RA and CSU in China in November 2023 and March 2024, respectively.

Building on (i) the safety, tolerability and pharmacokinetic data from the Phase I clinical trials in healthy subjects in China and the United States, and (ii) the dose exploration and clinical experience accumulated from the clinical development of TLL-018 in CSU and RA, we believe there is a scientific and clinical basis to support an accelerated development strategy for atopic dermatitis (AD) in China. Accordingly, we submitted an IND application to the NMPA in February 2026 for a Phase II/III registrational trial of TLL-018 in moderate-to-severe AD and received IND approval in May 2026. We expect to initiate such trial in the second quarter of 2026. In parallel, we are also planning indication expansion of TLL-018 into systemic lupus erythematosus (SLE). Prior to initiating any registrational Phase II/III clinical trials for TLL-018 in SLE, we will be required to complete the relevant regulatory communications with the NMPA and obtain the necessary regulatory approvals.
4. For TLL-041, we submitted an IND application to the FDA in November 2022 and received approval in March 2023. In the same month, we entered into a license and development agreement with Biohaven (the “**Biohaven Agreement**”), pursuant to which we granted Biohaven an exclusive, royalty-bearing and sublicensable license to research, develop, manufacture and commercialize TLL-041/BHV-8000 outside Greater China while we retain the full rights to research, develop, manufacture and commercialize TLL-041/BHV-8000 in Greater China. Pursuant to this arrangement, we transferred sponsorship of the FDA IND to Biohaven in April 2023.

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

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

We plan to participate in Biohaven’s global registrational program in Parkinson’s disease. In December 2025, we submitted the clinical protocol for this registrational trial to the NMPA and are currently awaiting feedback. Following positive top-line results, Biohaven will, at our request, submit the marketing approval application in China and, upon approval, transfer the marketing authorization to us. In parallel, after completion of the Phase I bridging study, we also plan to advance TLL-041 into a Phase II clinical trial in Alzheimer’s disease in China to address the unmet medical need in this patient population, and expect to submit IND for this trial in the third quarter of 2026. See “Business — Our Material Collaboration and Licensing Arrangements” for details.
5. Our near-term commercial focus is primarily on the China market, while our long-term strategy is to develop innovative therapies with global potential and selectively pursue globalization opportunities where commercially and strategically appropriate. In this regard, we believe that conducting certain early-stage clinical trials in the United States can efficiently establish an initial global clinical development foundation while remaining relatively cost-effective at the Phase I stage. In addition, the U.S. FDA generally adopts a relatively flexible and innovation-supportive approach toward first-in-human and early-stage clinical trials for novel product candidates, such as novel JAK inhibitor applications and NLRP3-targeting therapies, provided that subject safety is adequately supported. Accordingly, conducting Phase I clinical trials in the United States, including for TLL-018 and HL-400, enables us to generate initial human safety, tolerability and pharmacokinetic data that may facilitate subsequent clinical development in China and, where suitable opportunities arise, other jurisdictions in the future. As of the Latest Practicable Date, we do not have any near-term commercialization plans in the United States or other overseas jurisdictions and, accordingly, do not have any near-term plans to independently conduct Phase II or III clinical development activities for our drug candidates in such jurisdictions.

SUMMARY

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

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

OUR PIPELINE

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

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

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

SUMMARY

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

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

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

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

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

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

COMPETITION

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

SUMMARY

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

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

OUR MATERIAL LICENSING AND COLLABORATION ARRANGEMENTS

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

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

License and Development Agreement with Tenovation for TLL-009

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

RESEARCH AND DEVELOPMENT

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

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

SUMMARY

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

MANUFACTURING

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

COMMERCIALIZATION

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

INTELLECTUAL PROPERTY

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

OUR CUSTOMERS AND SUPPLIERS

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

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

SUMMARY

OUR STRENGTHS

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

OUR STRATEGIES

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

SUMMARY OF KEY FINANCIAL INFORMATION

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

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

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

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

SUMMARY

Non-HKFRS Measure

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

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

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

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

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

SUMMARY

Summary of Consolidated Statements of Financial Position

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

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

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

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

Summary of Consolidated Statements of Cash Flows

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

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

SUMMARY

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

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

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

Key Financial Ratios

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

RISK FACTORS

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

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

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

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

SUMMARY

PRE-[REDACTED] INVESTMENTS

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

DIVIDEND

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

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

[REDACTED]

USE OF [REDACTED]

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

SUMMARY

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

[REDACTED]

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

RECENT DEVELOPMENTS

Business Updates

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

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

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

No Material Adverse Change

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

IMPACT OF COVID-19

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

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms.”

“Accountants’ Report”	the accountants’ report of our Group set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company adopted by special resolution on October 9, 2025 with effect from the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in “Appendix III — Summary of Articles of Association”
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“AZ-CICC”	Wuxi AstraZeneca-CICC Venture Capital Partnership (L.P.) (無錫阿斯利康中金創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 30, 2020 and a Pre-[REDACTED] Investor
“Biohaven”	Biohaven Ltd., a limited liability company incorporated in the British Virgin Islands on May 2, 2022 whose shares are listed on the New York Stock Exchange (NYSE: BHVN) and an independent third party
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
[REDACTED]	
“CDE”	Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and NDA
“CEO”	the chief executive officer of our Group
“China” or “PRC”	the People’s Republic of China and, for the purpose of this document and for geographical reference only, unless the context otherwise requires, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Hangzhou Highlightll Pharmaceutical Co., Ltd. (杭州高光製藥股份有限公司), a joint stock limited company established in the PRC on September 15, 2025, or, where the context requires, its predecessor, Hangzhou Highlightll Pharmaceutical Co., Ltd. (杭州高光製藥有限公司) (formerly known as Guangzhou Gaoling Pharmaceutical Co., Ltd. (廣州高瓴製藥有限公司) and Hangzhou Gaoling Pharmaceutical Co., Ltd. (杭州高瓴製藥有限公司)), a limited liability company established in the PRC on December 14, 2017
“Compliance Advisor”	Rainbow Capital (HK) Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Core Product”	has the meaning ascribed to it under Chapter 18A of the Listing Rules and is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide
“Corporate Governance Code”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Dr. Liang”	Dr. Liang Congxin (梁從新), our founder, the chairman of our Board, executive Director, CEO and general manager of our Company and a member of our single largest group of Shareholders
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Employee Incentive Scheme” the employee incentive scheme of our Company approved and adopted by our Shareholders on September 9, 2025, a summary of the principal terms of which is set out in “Appendix IV — Statutory and General Information — D. Employee Incentive Scheme”

“Extreme Conditions” the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

“FDA” the Food and Drug Administration of the United States

[REDACTED]

“Frost & Sullivan” Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company

“Frost & Sullivan Report” the report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set out in “Industry Overview”

[REDACTED]

“Greater China” Mainland China, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Group,” “we” or “us” our Company and our subsidiaries from time to time

“Guide” the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“H Share(s)” ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each before the completion of the Share Subdivision and RMB0.10 each after the completion of the Share Subdivision, which will be [REDACTED] and [REDACTED] on the Stock Exchange

[REDACTED]

DEFINITIONS

“Highlightll Enterprise Management”	Hangzhou Highlightll Enterprise Management Partnership (Limited Partnership) (杭州高光企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 2, 2018, our employee incentive platform and a member of our single largest group of Shareholders
“Highlightll Hainan”	Highlightll Pharmaceutical (Hainan) Co., Ltd. (高光製藥(海南)有限公司), a limited liability company established in the PRC on January 8, 2021 and a wholly-owned subsidiary of our Company
“Highlightll US”	HIGHLIGHTLL PHARMACEUTICAL (USA) LLC, a limited liability company incorporated in Delaware, the United States on May 17, 2018 and a wholly-owned subsidiary of our Company
“HK\$” or “Hong Kong dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and the related interpretations issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

[REDACTED]

“independent third party(ies)”

entity(ies) or person(s) who is/are not connected person(s) of our Company or our subsidiaries within the meaning of the Listing Rules

[REDACTED]

“Joint Sponsors”

the joint sponsors named in “Directors and Parties Involved in the [REDACTED]”

DEFINITIONS

“Latest Practicable Date” [May 31], 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Model Code” Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules

“MOF” Ministry of Finance of the PRC (中華人民共和國財政部)

“MOFCOM” Ministry of Commerce of the PRC (中華人民共和國商務部)

“NDRC” National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

“NMPA” the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)

“Nomination Committee” the nomination committee of our Board

[REDACTED]

“Overseas Listing Trial Measures” Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“PRC Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisor”	T&C Law Firm, our legal advisor as to PRC law
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company by the Pre-[REDACTED] Investors, the details of which are set out in “History, Development and Corporate Structure”
“Pre-[REDACTED] Investor(s)”	the investor(s) making investments in our Company prior to the [REDACTED], the details of which are set out in “History, Development and Corporate Structure”
[REDACTED]	
“document”	this document being issued in connection with the [REDACTED]
“QIB(s)”	qualified institutional buyer(s) within the meaning of Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
“Series A Financing”	the Pre-[REDACTED] Investments in our Company by the Series A Investors, the details of which are set out in “History, Development and Corporate Structure”
“Series A Investor(s)”	the Pre-[REDACTED] Investor(s) of the Series A Financing, the details of which are set out in “History, Development and Corporate Structure”
“Series B Financing”	the Pre-[REDACTED] Investments in our Company by the Series B Investors, the details of which are set out in “History, Development and Corporate Structure”
“Series B Investor(s)”	the Pre-[REDACTED] Investor(s) of the Series B Financing, the details of which are set out in “History, Development and Corporate Structure”

DEFINITIONS

“Series B+ Financing”	the Pre-[REDACTED] Investments in our Company by the Series B+ Investors, the details of which are set out in “History, Development and Corporate Structure”
“Series B+ Investor(s)”	the Pre-[REDACTED] Investor(s) of the Series B+ Financing, the details of which are set out in “History, Development and Corporate Structure”
“Series B2 Financing”	the Pre-[REDACTED] Investments in our Company by the Series B2 Investors, the details of which are set out in “History, Development and Corporate Structure”
“Series B2 Investor(s)”	the Pre-[REDACTED] Investor(s) of the Series B2 Financing, the details of which are set out in “History, Development and Corporate Structure”
“Series C Financing”	the Pre-[REDACTED] Investments in our Company by the Series C Investors, the details of which are set out in “History, Development and Corporate Structure”
“Series C Investor(s)”	the Pre-[REDACTED] Investor(s) of the Series C Financing, the details of which are set out in “History, Development and Corporate Structure”
“Series Pre-C Financing”	the Pre-[REDACTED] Investments in our Company by the Series Pre-C Investors, the details of which are set out in “History, Development and Corporate Structure”
“Series Pre-C Investor(s)”	the Pre-[REDACTED] Investor(s) of the Series Pre-C Financing, the details of which are set out in “History, Development and Corporate Structure”
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each before the completion of the Share Subdivision and RMB0.10 each after the completion of the Share Subdivision, comprising Unlisted Share(s) and H Share(s)
“Share Subdivision”	the subdivision of each Share with a nominal value of RMB1.00 into ten Shares with a nominal value of RMB0.10 each, which will become effective immediately before the [REDACTED]
“Shareholder(s)”	holder(s) of the Share(s)
“Sophisticated Investor(s)”	has the meaning ascribed to it under Chapter 2.3 of the Guide

[REDACTED]

DEFINITIONS

“STA” State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

[REDACTED]

“State Council” State Council of the PRC (中華人民共和國國務院)

“Stock Exchange” The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“substantial Shareholder(s)” has the meaning ascribed to it under the Listing Rules

“Takeovers Code” the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

“Track Record Period” the period comprising the two years ended December 31, 2025 and the three months ended March 31, 2026

“treasury Share(s)” has the meaning ascribed to it under the Listing Rules

“U.S.” or “United States” the United States of America, its territories, possessions and all areas subject to its jurisdiction

“U.S. dollar” or “US\$” United States dollar, the lawful currency of the United States

“U.S. Securities Act” United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“Unlisted Share(s)” ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each before the completion of the Share Subdivision and RMB0.10 each after the completion of the Share Subdivision, which is/are not [REDACTED] or [REDACTED] on any stock exchange

[REDACTED]

“%” per cent

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, this glossary contains explanations of certain technical terms used in this document in connection with us and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“ACR”	American College of Rheumatology
“ACR20/ACR50/ACR70”	a clinical trial endpoint in rheumatoid arthritis indicating a 20%/50%/70% improvement in the American College of Rheumatology criteria
“acute gout”	an inflammatory arthritis triggered by monosodium urate crystal deposition in joints, leading to sudden pain, swelling, and erythema
“AD”	atopic dermatitis, a chronic inflammatory skin disease marked by pruritus, eczematous lesions, and skin barrier dysfunction
“AE”	adverse event, any untoward medical occurrence may be mild, moderate, or severe in a patient or subject receiving a drug or other pharmaceutical product in a clinical trial and which does not necessarily have a causal relationship with the treatment
“Alzheimer’s disease”	a neurodegenerative disorder marked by progressive cognitive decline, amyloid- β plaques, and tau pathology
“antibody”	a blood protein produced in response to and counteracting a specific antigen. Antibodies combine chemically with substances which the body recognizes as alien, such as bacteria, viruses, and foreign substances in the blood
“astrocyte”	star-shaped glial cell in the central nervous system that supports neuronal function, regulates neurotransmitter balance, and maintains the blood-brain barrier
“ATP”	adenosine triphosphate, a nucleotide that provides energy to drive and support many processes in living cells, such as muscle contraction, nerve impulse propagation, condensate dissolution, and chemical synthesis
“AUC”	area under the curve, a pharmacokinetic parameter that measures the body’s exposure to a drug, i.e., how much of the drug reaches a person’s bloodstream over a given period of time after a dose is administered
“autoimmune diseases”	a class of disorders in which the immune system mistakenly attacks the body’s own tissues, leading to chronic inflammation and organ or tissue damage
“BBB” or “blood-brain barrier”	a highly selective physiological barrier formed by endothelial cells, pericytes, and astrocytic end-feet, which regulates the passage of substances between the systemic circulation and the central nervous system
“BID”	twice daily

GLOSSARY OF TECHNICAL TERMS

“biomarker”	a naturally occurring molecule, gene, or characteristic by which a particular pathological or physiological process, disease, etc. can be identified
“brain-penetrant compound”	A drug molecule designed to cross the blood-brain barrier and achieve therapeutic concentrations in the CNS
“CAGR”	compound annual growth rate
“cardiovascular”	relating to the heart and blood vessels, encompassing the structure and function of the circulatory system
“CDMO”	contract development and manufacturing organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
“C _{max} ”	maximum plasma concentration, a pharmacokinetic parameter that measures the highest concentration of a drug in the blood, cerebrospinal fluid, or target organ after a dose is given
“CMC”	chemistry, manufacture and control, also commonly referred to as process development, which covers the various procedures used to assess the physical and chemical characteristics of drug products, and to ensure their quality and consistency during manufacturing
“CNS”	central nervous system, the part of the nervous system consisting primarily of the brain and spinal cord
“cohort”	a group of patients as part of a clinical trial who share a common characteristic or experience within a defined period and who are monitored over time
“corticosteroids”	hormonal agents produced by the adrenal cortex or synthesized as drugs, used to regulate inflammation, immune responses, and metabolic processes
“CRO”	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
“CSF”	cerebrospinal fluid, clear, colorless body fluid surrounding the brain and spinal cord, providing mechanical protection, nutrient transport, and waste removal
“CSO”	contract sales organization, a company that provides a series of services and solutions related to marketing and sales activities under contracts with pharmaceutical, biotechnology, and medical device companies
“CSU”	chronic spontaneous urticaria, a skin disorder characterized by recurrent hives and/or angioedema without an identifiable trigger, persisting for six weeks or longer

GLOSSARY OF TECHNICAL TERMS

“cytokine”	a broad category of small proteins that are important in cell signaling, whose release has an effect on the behavior of cells expressing corresponding receptors
“DMARDs”	disease-modifying anti-rheumatic drugs, a group of agents that slow or alter the underlying pathophysiology of rheumatic diseases, aiming to reduce inflammation, prevent joint damage, and preserve function
“dose-escalation study”	a type of study where different doses of an agent (e.g. a drug) are tested against each other to establish which dose works best and/or is least harmful
“ER”	extended-release, a drug formulation designed to release the active ingredient gradually over an extended period, maintaining therapeutic levels and reducing dosing frequency
“first line”	with respect to any disease, the first line treatment, which is the treatment regimen or regimens that are generally accepted by the medical establishment for initial treatment. It is also called primary treatment or therapy
“FTE”	a unit representing the workload of one full-time employee, commonly applied in the biopharmaceutical industry to measure research effort and project resources
“GCP”	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans
“GMP”	good manufacturing practice, the practices required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of products
“H-donor”	hydrogen bond donor, a functional group or atom within a molecule that provides a hydrogen atom capable of participating in hydrogen bonding interactions, typically through attachment to an electronegative atom such as oxygen or nitrogen
“hsCRP”	high-sensitivity C-reactive protein, a biomarker of systemic inflammation, measured with high-sensitivity assays to detect low concentrations associated with cardiovascular risk and chronic inflammatory conditions
“HSS7”	weekly hives severity score, a patient-reported outcome measure evaluating the frequency, intensity, and overall impact of hives over a seven-day period, commonly used in clinical trials of urticaria
“hydrogen-donor-free scaffold”	a chemical design strategy removing hydrogen bond donor groups to improve blood-brain barrier penetration and kinase selectivity

GLOSSARY OF TECHNICAL TERMS

“IC ₅₀ ”	concentration at half maximal inhibition, a measure of the potency of a substance in inhibiting a specific biological or biochemical function
“IFN-α/IFN-β/IFN-γ”	cytokines with antiviral, immunomodulatory, and pro-inflammatory functions; type i interferons (α, β) and type ii interferon (γ) signal through TYK2/JAK1 pathways
“IL-1β/IL-18”	potent pro-inflammatory cytokines activated via inflammasome signaling; key mediators in gout, neuroinflammation, and systemic inflammation
“IL-6/IL-17/IL-23”	pro-inflammatory interleukins involved in autoimmune pathogenesis; IL-17 and IL-23 are central to the TH17 immune axis
“ <i>in vitro</i> ”	Latin for “within the glass”, studies using components of an organism that have been isolated from their usual biological surroundings, such as microorganisms, cells or biological molecules
“ <i>in vivo</i> ”	Latin for “within the living”, studies <i>in vivo</i> are those in which the effects of various biological or chemical substances are tested on whole, living organisms including animals, humans and plants, as opposed to a partial or dead organism, or those done <i>in vitro</i>
“INAD”	investigational new animal drug or investigational new animal drug application
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China or the United States
“IP-10”	interferon-γ-inducible protein 10, chemokine involved in immune responses, promoting recruitment of activated T cells and other leukocytes to sites of inflammation
“IR”	immediate-release, a dosage form designed to rapidly disintegrate and release the active drug substance into the body, resulting in prompt absorption and onset of action
“ISS7”	itch severity score, a patient-reported assessment tool measuring the intensity and impact of pruritus over a seven-day period, commonly used in clinical studies of dermatological conditions
“JAK1/JAK2/JAK3”	intracellular tyrosine kinases that mediate cytokine receptor signaling via the JAK-STAT pathway, regulating immune cell development, activation, and inflammatory responses
“JAK-STAT pathway”	a signal transduction cascade activated by cytokines and growth factors, leading to transcription of genes involved in immunity, inflammation, and cell growth
“kinase selectivity”	the degree to which a kinase inhibitor targets specific kinases over others, reducing off-target effects

GLOSSARY OF TECHNICAL TERMS

“LRRK2”	leucine-rich repeat kinase 2, a kinase implicated in familial and sporadic parkinson’s disease; mutations can increase kinase activity and contribute to neurodegeneration
“MAD”	multiple ascending dose, a clinical study design in which multiple doses of an investigational drug are administered to sequential cohorts of participants at escalating dose levels to evaluate safety, tolerability, and pharmacokinetics over repeated exposure
“microglia”	resident immune cell of the central nervous system responsible for maintaining homeostasis, mediating immune defense, and responding to injury or disease
“MNC”	multinational corporations
“monotherapy”	therapy that uses a single drug to treat a disease or condition
“NDA”	new drug application, a regulatory submission seeking marketing approval for a new pharmaceutical product
“neurodegenerative diseases”	a group of progressive disorders characterized by the gradual loss of structure or function of neurons, often leading to cognitive, motor, and functional impairments
“NLRP3 inflammasome”	multiprotein complex that detects cellular stress signals and activates caspase-1, leading to maturation of IL-1 β and IL-18 and induction of pyroptosis
“NSAIDs”	nonsteroidal anti-inflammatory drugs, a class of medications that reduce inflammation, pain, and fever by inhibiting cyclooxygenase enzymes, without possessing steroidal structure
“Parkinson’s disease”	a progressive neurodegenerative disorder characterized by motor and non-motor symptoms, linked to dopaminergic neuron loss
“PASI”	psoriasis area and severity index, a measure of psoriasis severity based on lesion characteristics and body surface area affected
“PD”	pharmacodynamics, the study of the biochemical and physiological effects of drugs and their mechanisms of action
“PGA”	physician global assessment, clinician-reported outcome measure used to evaluate the overall severity of a disease, typically based on observable signs and clinical judgment
“Phase I/II/III trials”	sequential stages of clinical testing: Phase I (safety, tolerability, pharmacokinetics), Phase II (efficacy, dose-finding), Phase III (confirmatory efficacy and safety)
“PK”	pharmacokinetics, the study of drug absorption, distribution, metabolism, and excretion in the body

GLOSSARY OF TECHNICAL TERMS

“placebo”	any dummy medical treatment administered to the control group in a controlled clinical trial in order that the specific and non-specific effects of the experimental treatment can be distinguished
“plaque psoriasis”	a chronic immune-mediated skin disorder characterized by erythematous, scaly plaques resulting from excessive keratinocyte proliferation and inflammation
“primary endpoint”	the main outcome measure used in a clinical trial to determine the effect of a treatment, reflecting the primary objective of the study, such as overall survival or disease progression
“QD”	once daily
“RA”	rheumatoid arthritis, a chronic autoimmune disease causing joint inflammation, pain, and progressive joint damage
“SAD”	single ascending dose, a clinical study design in which a single dose of an investigational drug is administered to sequential cohorts of participants at increasing dose levels to assess safety, tolerability, and pharmacokinetics
“SAE”	serious adverse event, any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
“second line”	with respect to any disease, the therapy or therapies that are given when initial treatments (first-line therapy) do not work, or stop working
“secondary endpoint”	an additional outcome measure in a clinical trial used to evaluate the effects of a treatment, providing supplementary information on efficacy and safety, such as quality of life or biomarker changes
“SLE”	systemic lupus erythematosus, a systemic autoimmune disease affecting multiple organs, characterized by autoantibody production and immune complex deposition
“SMO”	site management organization, an organization that contractually provides clinical trial related services to a study sponsor, CRO or clinical investigator
“TEAE”	treatment-emergent adverse event, either an adverse event with onset after the initiation of the study medication or an adverse event with onset before study medication that worsened in severity after the initiation of study medication
“therapeutic window”	the range of drug dosages that can treat disease effectively without having toxic effects, or the time interval during which a particular therapy can be given safely and effectively

GLOSSARY OF TECHNICAL TERMS

“T _{max} ”	the time after drug administration at which the maximum plasma concentration is reached, commonly used to characterize the absorption rate of a compound
“TNF-α”	a pro-inflammatory cytokine involved in systemic inflammation and targeted by several biologic therapies
“TRAE”	treatment-related adverse event, an adverse event that in the investigator’s opinion may have been caused by the study medication with reasonable possibility
“TYK2”	tyrosine kinase 2, a member of the Janus kinase family involved in cytokine signaling (e.g., IL-12, IL-23, type I interferons) and implicated in autoimmune and inflammatory diseases
“UAS7”	urticaria activity score over 7 days, a composite score assessing urticaria severity over a week

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements and information that relate to our current expectations and views of future events. These forward-looking statements are contained principally in “Summary,” “Risk Factors,” “Industry Overview,” “Business,” “Financial Information” and “Future Plans and Use of [REDACTED].” These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in “Risk Factors,” which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in “Risk Factors.”

The forward-looking statements contained in this document relate only to events or information as of the date on which the statements are made. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this document completely and with the understanding that our actual future results or performance may be materially different from what we expect.

In this document, statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any of these intentions may change in light of future development.

RISK FACTORS

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

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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

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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.

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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.

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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,

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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.

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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.

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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

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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.

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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

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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.

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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.

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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)

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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

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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.

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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.

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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.

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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

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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.

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

The headquarters, senior management and business operations of our Group are primarily based, managed and conducted outside Hong Kong. As our executive Directors and senior management play very important roles in our business operations, we consider that it is in the best interest of our Company for them to be based in the place where our Group has significant operations. As such, our Company does not, and will not for the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (a) we have appointed Dr. Liang and Mr. Ho Pok Man (何博文) (“**Mr. Ho**”), our joint company secretary, as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. Our authorized representatives will act as our principal channel of communication with the Stock Exchange. They will be readily contactable by phone, email, and/or facsimile to promptly deal with enquiries from the Stock Exchange and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, our authorized representatives have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Stock Exchange with the contact details of all Directors to facilitate communication with the Stock Exchange. Furthermore, to the best of our knowledge and information, all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange; and
- (c) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor upon the [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor has access at all times to our authorized representatives, Directors and senior management, and will act as an additional channel of communication with the Stock Exchange when our authorized representatives are not available.

WAIVERS AND EXEMPTIONS

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary of an issuer must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual’s “relevant experience”:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

All our Directors and senior management who are familiar with our activities and have extensive experience in board and corporate management matters presently do not possess any of the qualifications under Rule 3.28 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules.

We propose to appoint Ms. Cheng Can (程燦) (“**Ms. Cheng**”), our securities affairs representative, and Mr. Ho as our joint company secretaries. Although Ms. Cheng does not possess the qualifications set out in Rule 3.28 of the Listing Rules, we would like to appoint her as a joint company secretary due to her experience in mergers and acquisitions and capital markets transactions, as well as her familiarity with our business operations and internal management. For the biographical information of Ms. Cheng and Mr. Ho, see “Directors and Senior Management.”

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Cheng as our joint company secretary. Pursuant to Chapter 3.10 of the Guide, the waiver will be for a three-year period from the [REDACTED] (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience required under Rule 3.28 of the Listing Rules (the “**Qualified Person**”) and is appointed as a joint company secretary throughout the Waiver Period, and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

WAIVERS AND EXEMPTIONS

We have appointed Mr. Ho, an associate of The Hong Kong Chartered Governance Institute, a Qualified Person, as a joint company secretary to provide assistance to Ms. Cheng during the Waiver Period to enable Ms. Cheng to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge her duties. Given Mr. Ho’s professional qualifications and experience, he will be able to explain to both Ms. Cheng and our Company the relevant requirements under the Listing Rules. Mr. Ho will also assist Ms. Cheng in organizing Board meetings and Shareholders’ meetings as well as other matters of our Company which are incidental to the duties of a company secretary. He is expected to work closely with Ms. Cheng, and will maintain regular contact with Ms. Cheng, our Directors and senior management. In addition, Ms. Cheng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the Waiver Period. Ms. Cheng will also be assisted by (i) the Compliance Advisor, particularly in relation to compliance with the Listing Rules and (ii) the Hong Kong legal advisor of our Company on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations. The waiver will be revoked with immediate effect if Mr. Ho ceases to provide assistance to Ms. Cheng during the Waiver Period or there are material breaches of the Listing Rules by our Company. If Mr. Ho ceases to be a joint company secretary before the end of the Waiver Period, our Company will seek another waiver from the Stock Exchange in relation to appointing another Qualified Person as a replacement.

We will liaise with the Stock Exchange before the end of the Waiver Period to enable it to assess whether Ms. Cheng, having had the benefit of Mr. Ho’s and, if applicable, another Qualified Person’s assistance for three years, has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

EXEMPTION IN RELATION TO FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023

Pursuant to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the document must state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the “**Third Schedule**”) and set out the reports specified in Part II of the Third Schedule.

Pursuant to paragraph 27 of Part I of the Third Schedule, the document must specify a statement as to the gross trading income or sales turnover (as may be appropriate) of the company during each of the three financial years immediately preceding the issue of the document including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Pursuant to paragraph 31 of Part II of the Third Schedule, the document must set out a report by the auditors of the company with respect to (i) profits and losses of the company for each of three financial years immediately preceding the issue of the document and (ii) assets and liabilities of the company at the last date of each of the three financial years immediately preceding the issue of the document.

Pursuant to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of those requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate.

WAIVERS AND EXEMPTIONS

Pursuant to Rule 4.04(1) of the Listing Rules, the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document or such shorter period as may be acceptable to the Stock Exchange must be included in the accountants’ report to its document.

Pursuant to Rule 18A.06 of the Listing Rules, a biotech company must comply with Rule 4.04 of the Listing Rules modified so that references to “three financial years” or “three years” in Rule 4.04 shall instead reference to “two financial years” or “two years,” as the case may be.

Accordingly, we have applied to the SFC for an exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the following grounds:

- (a) our Company is a clinical-stage biotechnology company committed to developing small molecule therapies for autoimmune and neurodegenerative diseases, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;
- (b) the Accountants’ Report for the two years ended December 31, 2025 and the three months ended March 31, 2026 has been set out in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;
- (c) notwithstanding that the financial results set out in this document are only for the two years ended December 31, 2025 and the three months ended March 31, 2026 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements; and
- (d) our Directors are of the view that the Accountants’ Report covering the two years ended December 31, 2025 and the three months ended March 31, 2026, together with other disclosures in this document, have already provided adequate and reasonably up-to-date information in the circumstances for potential [REDACTED] to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the [REDACTED] public.

The SFC [has] granted us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the conditions that particulars of the exemption are set out in this document and this document will be issued on or before [REDACTED].

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Liang Congxin (梁從新)	Room 702, Building 2 Jianghe Mingcui Apartment 20 Matou Road Shangcheng District Hangzhou Zhejiang PRC	American
Dr. Tang Wei (唐煒)	Room 701, Building 18 Huichao Yuefu Shangcheng District Hangzhou Zhejiang PRC	Chinese
Non-executive Directors		
Mr. Li Xianxian (李顯顯)	No. 50 Gucui Road Xihu District Hangzhou Zhejiang PRC	Chinese
Mr. Zhang Yincheng (張銀成)	Room 1701, No. 7, Lane 999 Tianyaoqiao South Road Xuhui District Shanghai PRC	Chinese
Independent Non-executive Directors		
Dr. Li Xiang (李湘)	Room 2801, Unit 1, Building 1 Langshi International Community No. 27 Avenue Qiantang District Hangzhou Zhejiang PRC	American
Dr. Xu Haoxin (徐浩新)	160 Xingning Road Wuning Sub-district Dongyang Zhejiang PRC	Chinese
Ms. Wong Yan Ki, Angel (黃欣琪)	Flat 28H, Tower 7 Century Gateway 83 Tuen Mun Heung Sze Wui Road Tuen Mun New Territories Hong Kong	Chinese

For further details of our Directors, see “Directors and Senior Management.”

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

China International Capital Corporation

Hong Kong Securities Limited

29/F, One International Finance Centre

1 Harbour View Street

Central

Hong Kong

CMB International Capital Limited

45/F, Champion Tower

3 Garden Road

Central

Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to our Company

As to Hong Kong and United States law:

Cooley HK

35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:

T&C Law Firm

11/F, Block A, Huanglong Century Plaza
1 Hangda Road
Xihu District
Hangzhou
Zhejiang
PRC

**Legal Advisors to the Joint Sponsors and
the [REDACTED]**

As to Hong Kong and United States law:

Clifford Chance

27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC law:

Commerce & Finance Law Offices

12-15/F, China World Office 2
No. 1 Jianguomenwai Avenue
Chaoyang District
Beijing
PRC

**Reporting Accountants and
Independent Auditor**

KPMG

*Certified Public Accountants
Public Interest Entity Auditor registered in
accordance with the Accounting and Financial
Reporting Council Ordinance
8th Floor, Prince’s Building
10 Chater Road
Central
Hong Kong*

Industry Consultant

**Frost & Sullivan (Beijing) Inc., Shanghai
Branch Co.**

Suite 2504, Wheelock Square
1717 West Nanjing Road
Jing’an District
Shanghai
PRC

Compliance Advisor

Rainbow Capital (HK) Limited

Office No. 710, 7/F, Wing On House
71 Des Voeux Road Central
Central
Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office and Head Office	Rooms 301 and 302, Building 4, Hexiang Technology Center Qiantang District Hangzhou Zhejiang PRC
Principal Place of Business in Hong Kong	40th Floor, Dah Sing Financial Centre No. 248 Queen’s Road East Wanchai Hong Kong
Company’s Website	<u>www.highlightpharma.com</u> <i>(The information contained on this website does not form part of this document)</i>
Joint Company Secretaries	Ms. Cheng Can (程燦) Rooms 301 and 302, Building 4, Hexiang Technology Center Qiantang District Hangzhou Zhejiang PRC Mr. Ho Pok Man (何博文) (ACG, HKACG) 40th Floor, Dah Sing Financial Centre No. 248 Queen’s Road East Wanchai Hong Kong
Authorized Representatives	Dr. Liang Congxin (梁從新) Room 702, Building 2 Jianghe Mingcui Apartment 20 Matou Road Shangcheng District Hangzhou Zhejiang PRC Mr. Ho Pok Man (何博文) 40th Floor, Dah Sing Financial Centre No. 248 Queen’s Road East Wanchai Hong Kong
Audit Committee	Ms. Wong Yan Ki, Angel (黃欣琪) <i>(Chairperson)</i> Dr. Li Xiang (李湘) Mr. Zhang Yincheng (張銀成)
Nomination Committee	Dr. Liang Congxin (梁從新) <i>(Chairperson)</i> Ms. Wong Yan Ki, Angel (黃欣琪) Dr. Li Xiang (李湘)
Remuneration Committee	Dr. Li Xiang (李湘) <i>(Chairperson)</i> Dr. Xu Haoxin (徐浩新) Mr. Li Xianxian (李顯顯)

CORPORATE INFORMATION

[REDACTED]

Principal Banks

China Merchants Bank Hangzhou Qiantang Sub-branch

1869 Binsheng Road
Binjiang District
Hangzhou
Zhejiang
PRC

Bank of China Hangzhou Qiantang New District Sub-branch

No. 17, 3rd Avenue
Hangzhou Economic and Technological
Development Zone
Hangzhou
Zhejiang
PRC

INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by us and prepared by an independent third party, Frost & Sullivan. The information from official government sources has not been independently verified by us, the [REDACTED], Joint Sponsors, [REDACTED], any of the [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

THE AUTOIMMUNE/INFLAMMATORY DISEASES MARKET

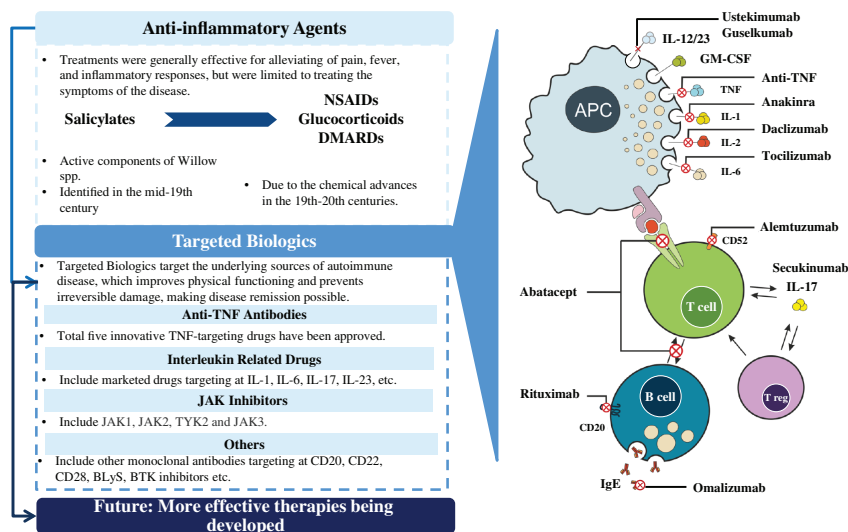
Overview

Autoimmune diseases arise from dysregulation of the immune system, in which immune cells mistakenly recognize the body’s own healthy cells and tissues as foreign. This misdirected immune response triggers a cascade of inflammatory processes — including the release of pro-inflammatory cytokines, recruitment of immune cells, and activation of tissue-damaging pathways — ultimately leading to chronic or recurrent inflammation. In many autoimmune conditions, it is this persistent inflammation that drives tissue injury, functional impairment, and disease progression.

There are over 100 existing types of autoimmune disorders, which can affect almost any part of the body. Autoimmune diseases can be divided into organ specific autoimmune diseases such as systemic lupus erythematosus (“SLE”) and rheumatoid arthritis (“RA”) and systemic autoimmune diseases such as psoriasis, chronic spontaneous urticaria (“CSU”) and atopic dermatitis (“AD”) based on self-antigens targeted by immune cells and the extent of organ involvement. Both genetic and environmental factors may contribute to the development of autoimmune diseases, which can lead to symptoms of inflammation that affect patients’ quality of life or even pose life-threatening risks.

Evolution of Autoimmune Disease Treatments

In managing autoimmune diseases, therapeutic options span from traditional anti-inflammatory agents to disease-modifying antirheumatic drugs (“DMARDs”), including conventional synthetic DMARDs (“csDMARDs”) and biologic DMARDs (“bDMARDs”) that target specific immune pathways. More recently, cell-based approaches have emerged, offering the potential to reset immune tolerance, while small-molecule inhibitors of intracellular signaling, notably JAK inhibitors, provide oral, targeted blockade of cytokine-driven inflammation. The following diagram illustrates the evolution of major autoimmune diseases treatments.



Abbreviations: NSAIDs = Non-steroidal anti-inflammatory drugs; DMARDs = Disease-modifying anti-rheumatic drugs

Source: Frontiers in Pharmacology, BMC Medicine, Frontiers in Immunology, Nature Reviews Drug Discovery, Rheumatology, Annals of the New York Academy of Sciences, FDA, Frost & Sullivan

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The following chart illustrates the mechanism of action, representative drug, benefits and drawbacks of major treatment of autoimmune diseases.

Type	Mechanism of Action	Representative Drugs	Benefits	Drawbacks
Glucocorticoids	Prevent the formation of both PGs and LTs by causing the release of lipocortin, which by inhibition of phospholipase A2 reduces arachidonic acid release.	Prednisone, Cortisone	GCs have a wide range of anti-inflammatory actions, affecting multiple components of the immune system. Hence, GCs are effective in treating a wide range of autoimmune conditions.	- Can cause a range of adverse effects such as osteoporosis, weight gain, high blood pressure, diabetes, increased susceptibility to infections, and adrenal suppression with long-term use. Cannot block RA progression and joint damage.
NSAIDs	Exert an anti-inflammatory effect by inhibiting the activity of cyclooxygenase (COX)	Aspirin, Ibuprofen	Fast-acting, with generally fewer side effects than glucocorticoids.	- Traditional non-selective NSAIDs inhibit platelet aggregation and cause significant gastrointestinal disorders such as bleeding, ulcers, and perforation. - Primarily exert anti-inflammatory and analgesic effects, and are ineffective in improving the disease condition or slowing joint damage.
csDMARDs	Suppress immune cell activity, inhibit specific inflammatory pathways, or interfere with cellular processes involved in immune responses.	Methotrexate, Sulfasalazine	Early intervention with these drugs is emphasized to prevent joint damage, improve clinical symptoms, and enhance patient outcomes. - Reduce inflammation, relieve symptoms, and to some extent, slow down the progression of joint damage.	- csDMARDs generally have a slow onset of action. It may take several weeks or even months to achieve the desired therapeutic effect. - Associated with a variety of adverse effects.
bDMARDs	Work by inhibiting cytokines like TNF- α and IL-6, suppressing T cell activation, and depleting B cells, all of which contribute to the inflammation in autoimmune conditions.	TNF inhibitors, Interleukin inhibitors	- Due to their selective targeting of specific immune components, bDMARDs can effectively reduce inflammation, alleviate symptoms, and slow disease progression. Fewer systemic side effects compared to csDMARDs.	Expensive and require regular injections or infusions, which can be a barrier for some patients. - Increase the risk of infection and malignancy.
tsDMARDs	Involved in blocking several pro-inflammatory pathways including JAK/MAPK/SYK-BTK/NF- κ B signaling.	JAK inhibitors	- Usually taken orally, which is more convenient for patients and improves treatment adherence. This is especially advantageous for patients who find it difficult to tolerate injections or infusions. - Can effectively reduce inflammation, alleviate symptoms, and slow disease progression. - tsDMARDs generally have a relatively lower risk of infections. This makes them a safer choice for patients with a higher susceptibility to infections.	Expensive and may pose economic burdens on patients and healthcare systems. - May cause various adverse effects, such as hepatotoxicity, bone marrow suppression, gastrointestinal discomfort, and elevated liver enzymes.
Cell Therapy	Target and eliminate the pathogenic immune cells driving the condition.	Under development	By addressing the underlying cause of autoimmunity, cell therapy can offer the potential for long-term remission.	Expensive due to its complex procedures, high-cost reagents and equipment. - Long-term studies are needed to assess the durability and long-term safety of cell therapies.

Source: *Cells, Expert Opinion on Pharmacotherapy, International Journal of Clinical Rheumatology, The Rheumatologist, Frontiers in Medicine, Frost & Sullivan*

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Unmet Clinical Needs of Autoimmune Disease Treatment

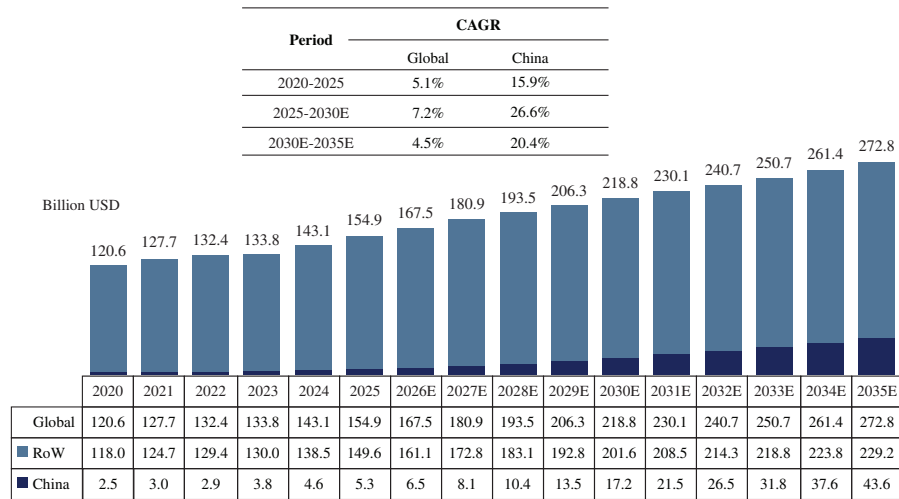
- *Current treatments for autoimmune diseases frequently fall short of delivering sustained efficacy or acceptable tolerability.* Studies in RA patients demonstrate that approximately 58 percent fail biologic DMARD therapy, with 77 percent being primary failures, defined as an inadequate initial response, and 23 percent being secondary failures, characterized by a loss of benefit over time. In addition, intolerance leads about 10 percent of patients to discontinue biologic agents and 21.8 percent to stop conventional synthetic DMARDs, while acute adverse reactions account for a 6.3 percent withdrawal rate among those receiving biologics. Although targeted therapies against key pathogenic pathways have enhanced clinical outcomes and reduced disease activity, these rates of nonresponse and treatment limiting toxicity reveal critical gaps in current approaches. Addressing the full spectrum of patient needs will require novel mechanisms of action, improved safety profiles and optimized combination regimens that can deliver both durable disease control and broader tolerability.
- *Insufficient enzyme selectivity remains a key limitation of current targeted biologics.* Broad-spectrum JAK inhibitors inhibit multiple JAK enzymes, leading to unintended suppression of diverse cytokine pathways and depletion of T cells and natural killer cells while sparing B cells. This imbalance heightens susceptibility to upper respiratory and urinary tract infections, particularly in patients already immunocompromised by autoimmune disease. Moreover, tofacitinib, baricitinib and upadacitinib carry FDA boxed warnings for serious cardiovascular events, malignancies, thromboembolic complications and death, highlighting the urgent need for therapies with precise target engagement and improved safety profiles.
- *The complexity of autoimmune diseases is amplified by the limited understanding of their underlying pathogenesis.* Despite advancements, the precise pathogenesis of many autoimmune diseases remains unclear, which hinders the development of targeted therapies and personalized treatment approaches. Furthermore, certain populations are disproportionately affected by autoimmune diseases like lupus, experiencing higher hospitalization rates due to factors such as delayed diagnoses and limited access to care, underscoring the urgent need for more equitable healthcare strategies and earlier intervention measures.

Market Size of Autoimmune Disease Drugs

The global autoimmune disease drug market has demonstrated consistent growth in recent years. The following charts set for the global and China’s autoimmune disease pharmaceutical market for the periods indicated.

INDUSTRY OVERVIEW

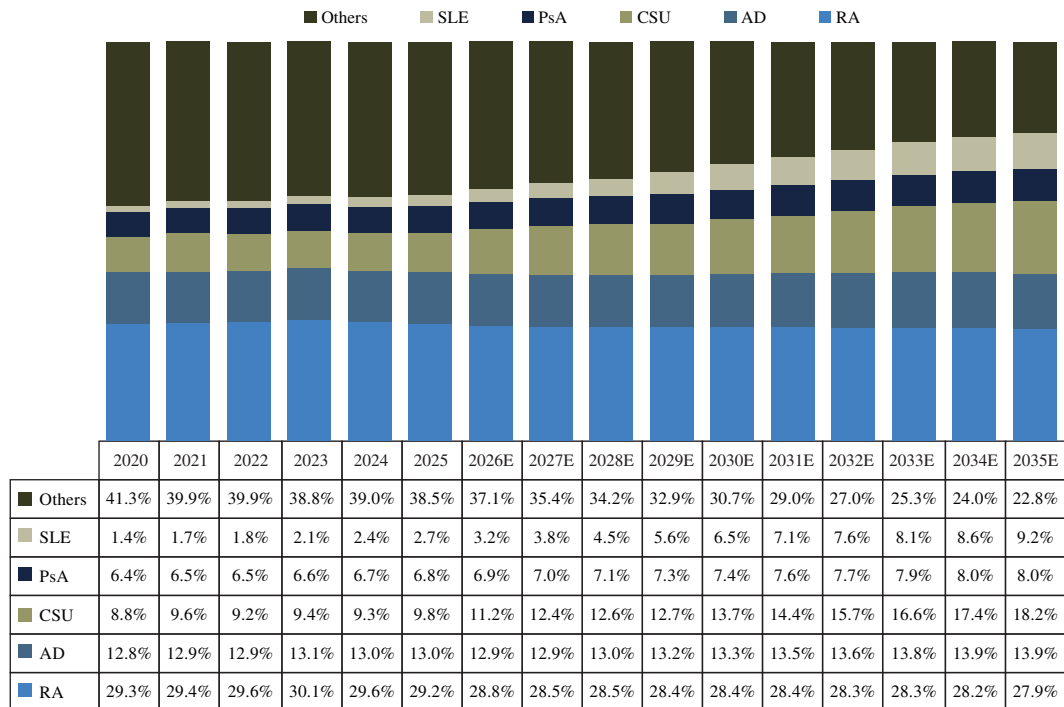
Global and China’s Autoimmune Diseases Pharmaceutical Market, 2020-2035E



Source: Public Information, Expert Interview, Frost & Sullivan

Drugs for rheumatoid arthritis (“RA”), atopic dermatitis (“AD”), and chronic spontaneous urticaria (“CSU”) constitute the majority of the autoimmune disease pharmaceutical market. The global pharmaceutical markets for CSU, RA and AD are expected to record overall CAGRs of approximately 9.8%, 4.2% and 5.1%, respectively, from 2020 to 2035. Over the same period, China’s pharmaceutical markets for CSU, RA and AD are expected to record overall CAGRs of approximately 14.4%, 15.1% and 18.7%, respectively. The following charts set for the breakdown of global and China’s autoimmune disease pharmaceutical market by indications, respectively.

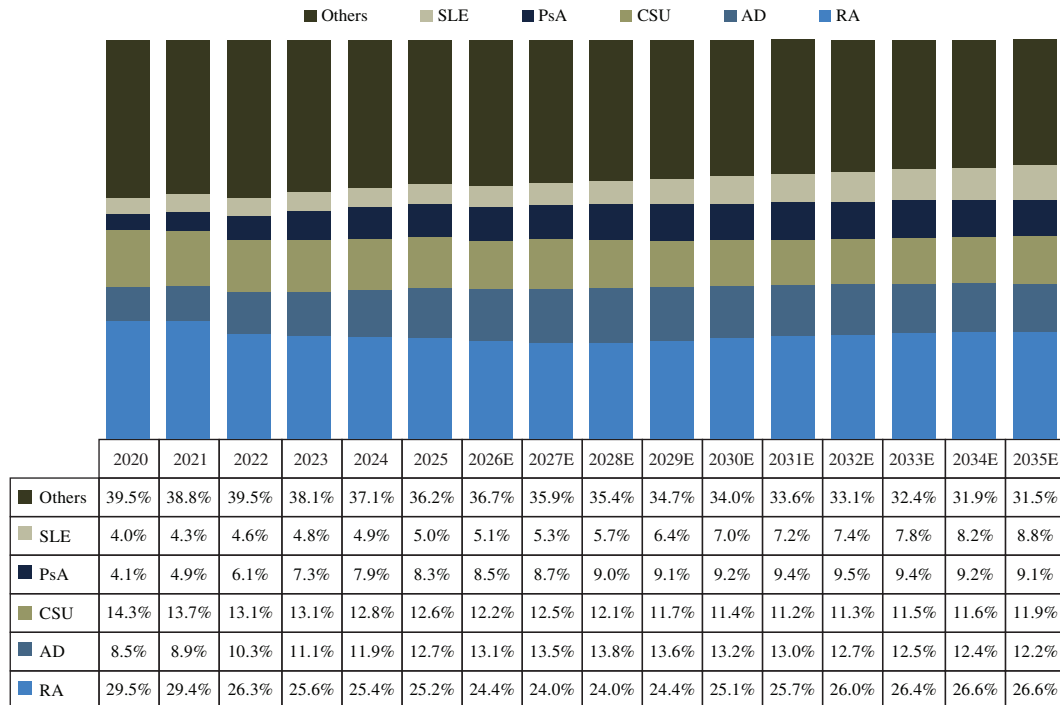
Breakdown of Global Autoimmune Diseases Pharmaceutical Market by Indications, 2020-2035E



Source: Public Information, Expert Interview, Frost & Sullivan

INDUSTRY OVERVIEW

Breakdown of China Autoimmune Diseases Pharmaceutical Market by Indications, 2020-2035E



Source: Public Information, Expert Interview, Frost & Sullivan

While the prevalence growth of major indications such as RA, CSU and AD remains relatively stable, the autoimmune disease pharmaceutical market globally and in China continues to deliver steady CAGR growth, driven not only by the underlying patient base, but more importantly by higher diagnosis and treatment coverage, longer treatment duration, greater penetration of innovative and higher-value therapies, expansion of eligible treated populations and improving reimbursement access.

- The number of patients entering treatment and the aggregate treated patient-years may grow faster than the overall prevalent population. In autoimmune and related immune-mediated diseases, a meaningful proportion of patients remain subject to delayed diagnosis, undertreatment or limited use of advanced therapies. For example, published Chinese literature indicates that the average time from symptom onset to diagnosis of RA in China is approximately 2.5 years, while Chinese guidelines state that only approximately 8.3% of RA patients in China were treated with biologic DMARDs. These data indicate substantial room for earlier diagnosis, earlier intervention and broader adoption of advanced therapies, which may expand the actively treated population and support continued market growth even without significant prevalence expansion.
- Market value growth is materially supported by treatment upgrading. The autoimmune pharmaceutical market has been shifting from conventional, relatively low-cost therapies toward biologics and innovative targeted therapies, thereby significantly increasing the value generated per treated patient. By way of illustration, AbbVie discloses that the current U.S. list price for a 30-day supply of RINVOQ is US\$7,090.41, while Sanofi reported that Dupixent generated global sales of €15.7 billion in 2025. These data demonstrate that continued launch and penetration of premium-priced innovative therapies may drive market value growth materially faster than prevalence growth, even where patient number growth remains modest.

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- Expansion of labels, age groups and treatment settings may cause the treated population to grow faster than the underlying prevalence base. For example, in AD, DUPIXENT expanded in the U.S. from adults in 2017 to adolescents in 2019, children aged 6-11 in 2020 and children aged 6 months to 5 years in 2022. In CSU, expert consensus indicates that approximately 50% of patients remain inadequately controlled on or resistant to antihistamine therapy. DUPIXENT was subsequently approved in the U.S. in 2025 for CSU patients who remain symptomatic despite H1 antihistamine treatment and was described as the first new targeted treatment in over a decade for CSU. These developments demonstrate that market expansion is driven not only by prevalence growth, but also by broader treatment eligibility and continued treatment upgrading.
- Improving reimbursement coverage and patient access may also enable market growth to outpace prevalence growth. In China, innovative targeted therapies have gradually been included in the NRDL. For RA, public NHSA materials show that the reimbursement scope for upadacitinib includes “second-line treatment for adults with moderate-to-severe active rheumatoid arthritis,” while the reimbursement scope for baricitinib includes “patients with confirmed rheumatoid arthritis whose disease activity has declined by less than 50% after 3-6 months of traditional DMARD treatment, subject to prescription by a rheumatology specialist.” This demonstrates that improving reimbursement access may enable a larger proportion of patients to receive advanced therapies, thereby supporting pharmaceutical market growth at a rate exceeding prevalence growth.

Specifically, in 2025, small-molecule drugs accounted for approximately 25% of the global autoimmune disease drug market, while biologics accounted for approximately 75%. In the China market of autoimmune disease drug during the same year, small-molecule drugs represented approximately 46% of the market, with biologics accounting for approximately 54%. The following chart sets forth the details of top five global autoimmune disease drugs in 2025.

Brand Name	Generic Name	Companies	Sales Revenue (2025, Million USD)	Indications	Market Share (2025, %)
DUPIXENT	Dupilumab	Regeneron+Sanofi	17,740.5	Atopic dermatitis; asthma; chronic rhinosinusitis with nasal polyps; eosinophilic esophagitis; prurigo nodularis	11.5%
Skyrizi	Risankuzumab-rzaa	Abbvie	17,562.0	Plaque psoriasis; psoriatic arthritis; Crohn's disease; ulcerative colitis	11.3%
Rinvoq	Upadacitinib	Abbvie	8,304.0	Rheumatoid arthritis; Psoriatic arthritis; Atopic dermatitis; Ulcerative colitis; Crohn's disease; Ankylosing spondylitis; Non-radiographic axial Spondyloarthritis; Polyarticular Juvenile Idiopathic Arthritis; Giant Cell Arteritis	5.4%
Cosentyx	Secukinumab	Novartis	6,668.0	Plaque psoriasis; psoriatic arthritis; ankylosing spondylitis; non-radiographic axial spondyloarthritis; enthesitis-related arthritis; hidradenitis suppurativa	4.3%
ENTYVIO	Vedolizumab	Takeda	6,413.1	Moderately to severely active ulcerative colitis; Moderately to severely active Crohn's disease	4.1%

Source: Public Information, Frost & Sullivan

Market Drivers and Future Trends for Autoimmune Disease Drug Market

The growth of the autoimmune disease drug is expected to be driven by the following factors:

- Expanding patient base with unmet need.* The growing proportion of older adults, who are more prone to autoimmune conditions due to immunosenescence and cumulative environmental exposures, is a key market driver. In China the population aged over 65 reached 223.7 million and accounted for 15.9% of the total in 2025 and such proportion is expected to keep growing in the following years, fueling the prevalence of chronic

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autoimmune disorders. Combined with urbanization and lifestyle changes, this expanding patient pool underpins sustained demand for effective therapies and positions autoimmune disease treatments as a vital growth segment in the pharmaceutical industry.

- *Innovative therapies expanding market capacity.* Breakthroughs in targeted treatments have transformed autoimmune disease management, with JAK inhibitors delivering superior efficacy and safety compared to conventional immunosuppressants. By broadly disrupting cytokine signaling via the JAK-STAT pathway, these oral small molecules achieve rapid onset and flexible dosing while eliminating the need for infusions or injections, thereby enhancing adherence and quality of life in chronic conditions such as rheumatoid arthritis and psoriasis. Their combined clinical benefits and patient convenience are poised to enlarge the addressable patient population and strengthen the therapeutic landscape for autoimmune disorders. For example, as of the Latest Practicable Date, no therapy has been approved for patients who have failed both biological disease-modifying anti-rheumatic drugs and JAK inhibitors — representing a difficult-to-treat population with significant unmet medical need. Innovative therapies that address this gap could not only transform patient outcomes but also expand the overall market by reaching populations currently underserved by existing treatments.
- *Policy support for treatment innovation.* Accelerated regulatory pathways are catalyzing breakthroughs in small-molecule autoimmune disease therapies. The NMPA has introduced incentive policies under the “Healthy China 2030” plan to deepen review and approval reforms oriented toward clinical efficacy, strengthen approval standards, and expedite evaluation of innovative and clinically urgent drugs. These reforms have strengthened registration, communication and review mechanisms for innovative therapies with clear differentiated clinical value, thereby supporting the development of our Core Product and other drug candidates. Our Core Product and other drug candidates may be eligible for priority communication, breakthrough designation-related pathways and expedited review procedures where they demonstrate significant clinical value or address urgent unmet medical needs, which may facilitate more efficient clinical advancement and regulatory approval. Reforms explicitly encourage novel mechanisms such as dual-target small molecules such as TYK2/JAK1 inhibitors that address more complex immune pathways with enhanced precision, which is aligned with our development strategy and may further support the regulatory progression of our pipeline candidates under applicable accelerated pathways.
- *Dynamic collaboration among market players.* Growing investments and strategic partnerships among pharmaceutical companies, research institutions and government agencies are fueling R&D in autoimmune disease therapies. Capital inflows support the discovery and optimization of novel agents, while resource- and expertise-sharing through collaborations expedites development timelines and streamlines commercialization. These cooperative efforts are yielding more effective and safer treatments, meeting rising patient demand and sustaining market expansion.

The future development of autoimmune disease drug is likely to witness the following trends:

- *Advances in dual-target and multi-target inhibitors.* Innovative therapies such as dual-target small molecules, including TYK2/JAK1 inhibitors, are enhancing treatment precision by simultaneously modulating multiple immune pathways. Compared with traditional approaches, these agents address key limitations such as incomplete efficacy and relapse risk by targeting interconnected inflammatory cascades with greater specificity. Their high potency and reduced off-target effects enable superior disease control while meeting the clinical need for safer and more effective options. As research progresses, multi-target inhibitors are poised to play an increasingly important role in the treatment of autoimmune diseases.

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- *Improved patient compliance through oral administration and sustained-release technologies.* Oral administration and sustained-release technologies are becoming increasingly important in the treatment of autoimmune diseases. Oral drugs provide greater convenience than injections, significantly improving patient adherence. For example, orally administered JAK inhibitors rapidly achieve effective concentrations, enabling early disease control. Sustained-release formulations further enhance outcomes by reducing dosing frequency, minimizing fluctuations in drug exposure, and improving overall treatment effectiveness. Continued advancements in these technologies are expected to strengthen drug-delivery efficiency, enhance patient compliance, and support growing demand in the autoimmune disease market.
- *Expanded indications and unmet need exploration.* Drug developers are actively broadening the indications of existing autoimmune disease therapies while addressing unmet needs to enhance clinical benefits. Many agents initially approved for a single condition, such as JAK inhibitors for rheumatoid arthritis, are now demonstrating efficacy in ulcerative colitis, alopecia areata and vitiligo, thereby expanding the treatable patient population. At the same time, companies are targeting niche and rare autoimmune diseases to provide additional therapeutic options. Continued R&D and clinical-trial efforts are expected to yield further indication expansions and new therapy launches, strengthening treatment choices and improving patient outcomes in autoimmune disorders.

Entry Barriers for Autoimmune Disease Drug Market

The major entry barriers for new entrants to the autoimmune disease drug market are set forth as follows:

- *High technical barriers to achieving high selectivity, efficacy, and safety in chronic autoimmune disease management.* The development of therapies for autoimmune diseases demands the integration of pharmacology, immunology, and medicinal chemistry to precisely target pathogenic pathways while maintaining optimal drug-like properties and bioavailability. Achieving high selectivity is critical to maximizing therapeutic efficacy and minimizing off-target effects, particularly for chronic conditions requiring long-term treatment. Our TLL-018 exemplifies this approach, combining exceptional selectivity with a dual-target mechanism — a design rarely achieved in the industry. Equally important are advanced drug-delivery technologies that enable controlled release and efficient systemic absorption. Oral formulations, in particular, require sophisticated engineering to enhance stability in the gastrointestinal tract and improve bioavailability, representing a significant technical hurdle for new market entrants.
- *Talent gap in expertise.* Developing autoimmune disease therapies demands professionals with deep expertise across drug design, synthetic chemistry, pharmacology, toxicology and clinical research, each discipline informing compound optimization and safe delivery. Assembling and managing such multidisciplinary teams is challenging and often requires strategic partnerships and effective project management.
- *High upfront capital demands.* Significant financial resources are required to establish manufacturing facilities, conduct research and development, and navigate the complex regulatory landscape in the autoimmune disease therapeutics market. The need for specialized equipment and technology further elevates these requirements, while stringent quality-control standards and extensive clinical trials add to the cost of market entry.

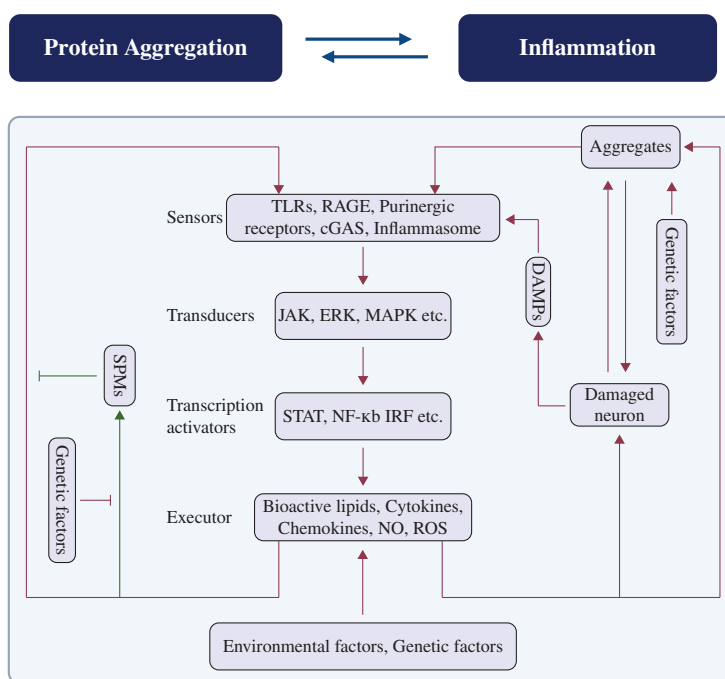
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THE NEURODEGENERATIVE DISEASES MARKET

Overview

Neurodegenerative diseases are a heterogeneous group of neurological disorders characterized by the progressive loss of neurons in the central or peripheral nervous system, profoundly impairing memory, cognition, behavior, sensory function, and motor control. Because neurons are terminally differentiated and unable to efficiently renew themselves, their degeneration results in the collapse of neural networks and disruption of essential communicative circuitry, thereby causing long-term functional decline.

A common hallmark across neurodegenerative diseases is neuroinflammation. Prolonged inflammatory responses in the brain, primarily driven by microglia and astrocytes, release cytotoxic mediators that exacerbate neuronal damage. Inflammation not only results from neurodegeneration but also actively contributes to its progression: protein aggregates, a frequent pathological feature in these disorders, can trigger neuroinflammation, which in turn accelerates protein aggregation and neuronal loss. In certain susceptible populations, neuroinflammation may even precede protein deposition, being induced by genetic variations in central nervous system cells or by peripheral immune cell infiltration. The following diagram illustrates the role of inflammation in neurodegeneration.



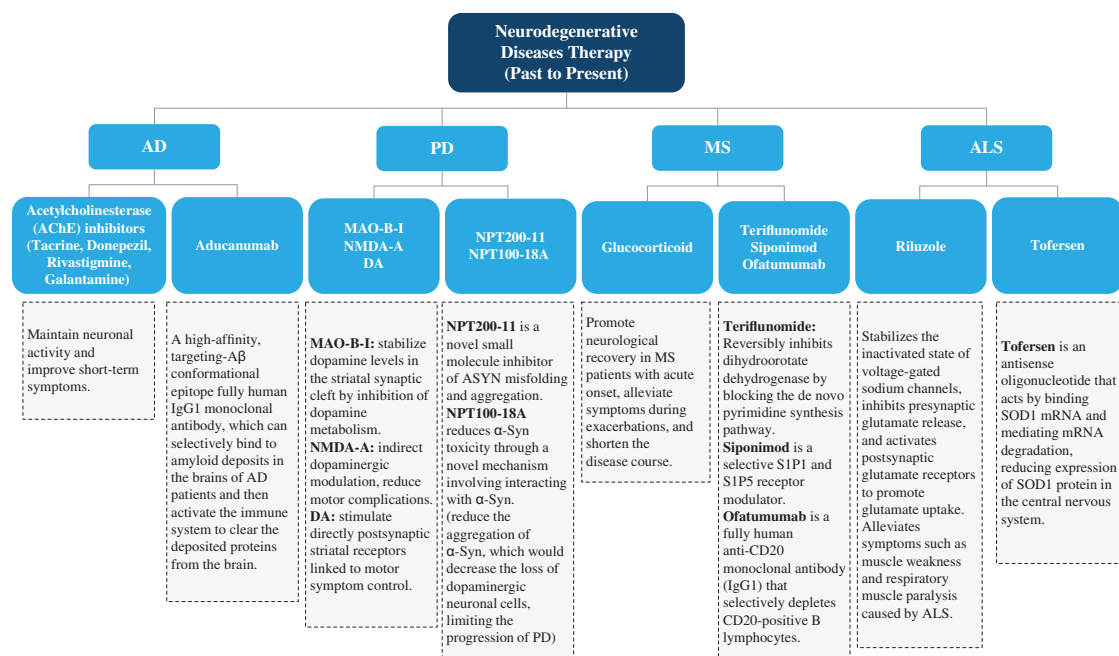
Source: *Signal Transduction and Targeted Therapy*, Frost & Sullivan

Clinically, neurodegenerative diseases encompass both acute conditions, such as cerebral ischemia, brain injury and epilepsy, and chronic disorders, including Alzheimer’s disease, Parkinson’s disease, Huntington’s disease, amyotrophic lateral sclerosis, multiple sclerosis, frontotemporal dementia and neuromyelitis optica spectrum disorders. Together, these conditions represent a major global health challenge, creating significant demand for novel treatment modalities and offering substantial opportunities to address the growing burden of neurodegenerative diseases.

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Treatment Paradigm and Unmet Clinical Need of Neurodegenerative Diseases

Researchers have identified several shared mechanistic targets that may enable pan-neurodegenerative therapeutic strategies including environmental factors, neuroinflammation, metabolic stress, neurovascular coupling and genetic contributors. Traditional treatments for neurodegenerative diseases could only alleviate symptoms without slowing progression. For Alzheimer’s disease, early drugs were acetylcholinesterase inhibitors that sustained neuronal activity to improve memory and learning; in recent years, aducanumab, which targets β -amyloid deposits, has begun to address disease progression at its root. For Parkinson’s disease, initial therapies centered on levodopa-based regimens to restore dopaminergic signaling and control motor symptoms, whereas emerging approaches now focus on targeting α -synuclein aggregation and neuroinflammatory pathways to modify disease course. The following diagram demonstrates the evolution of neurodegenerative diseases therapy.



Abbreviations: AD = Alzheimer’s disease; PD = Parkinson’s disease; MS = multiple sclerosis; ALS = amyotrophic lateral sclerosis

Source: International Journal of Neurology and Neurosurgery, Translational Neurodegeneration, Scientific Reports, Brain Disorders, Neurodegenerative Disease Management, Chinese Guidelines for the Diagnosis and Treatment of Multiple Sclerosis (2023 Edition), Chinese Expert Consensus on Diagnosis and Treatment of Amyotrophic Lateral Sclerosis (ALS) 2022, Public Information, Frost & Sullivan

However, there remain unmet needs in current neurodegenerative disease treatment:

- **Absence of disease-modifying therapies.** Current treatments for neurodegenerative diseases deliver only symptomatic relief and fail to alter the underlying course, creating an urgent need for mechanism-based interventions. For instance, donanemab, a monoclonal antibody targeting amyloid- β plaques, has shown promise in slowing Alzheimer’s disease progression in clinical trials, illustrating the potential of pathogenically directed agents to fill this critical therapeutic gap.
- **Blood-brain barrier delivery challenges.** The blood-brain barrier is a vital defense for the central nervous system, and it restricts more than 99% of therapeutic agents and limits clinical efficacy. Nanoparticle-based platforms, such as liposomes, polymeric nanoparticles and dendrimers, offer promise by leveraging receptor-mediated

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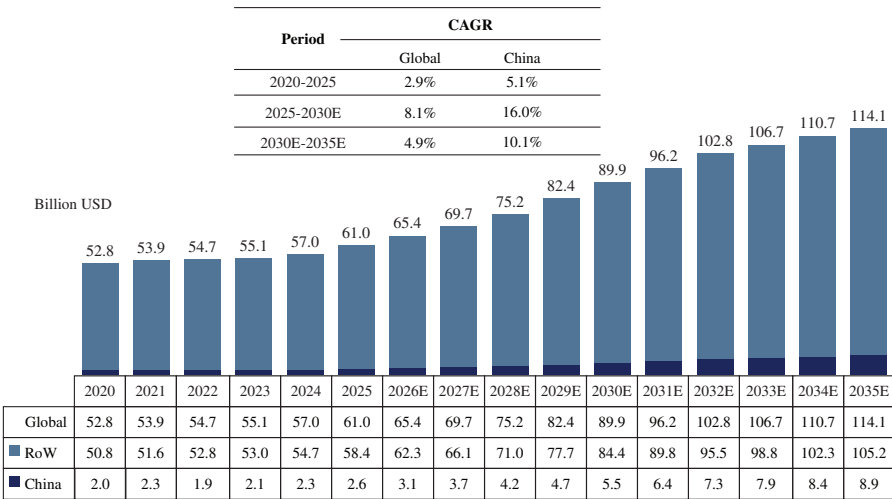
transcytosis to ferry drugs into targeted brain regions. However, optimizing these systems for safe, efficient and reproducible delivery remains a significant challenge, necessitating further refinement to overcome this critical obstacle in neurotherapeutic development. There are currently no approved targeted therapies for neuroinflammation; biologics and immunotherapies face substantial limitations in crossing the blood-brain barrier, and existing JAK inhibitors lack clinically meaningful blood-brain barrier penetration.

- *Early and accurate diagnosis gap.* Neurodegenerative disorders unfold silently for years before clinical signs emerge, yet conventional diagnostic methods detect disease only after irreversible neuronal loss. Emerging technologies, most notably AI-enhanced blood assays, offer the potential to identify pathologic changes in conditions such as Parkinson’s disease long before symptom onset, enabling timely therapeutic intervention and improving the prospects for disease modification.
- *Inadequate multidisciplinary care systems.* Current healthcare systems lack integrated medical, social and caregiver support, leaving rising neurodegenerative burdens, particularly in aging populations poorly managed. The COVID-19 pandemic exacerbated these gaps in dementia care by disrupting services and increasing isolation. There is an urgent need to establish person-centered care models that formally include caregivers and leverage digital platforms for seamless coordination across clinical, social and support networks.

Market Size of Neurodegenerative Disease Drugs

Neurodegenerative disorders, which include Alzheimer’s disease, Parkinson’s disease and other progressive conditions of the central nervous system, represent a substantial and growing healthcare burden worldwide. The following chart sets for the global and China’s neurodegenerative disease pharmaceutical market for the periods indicated.

Global and China’s Neurodegenerative Disease Pharmaceutical Market, 2020-2035E



Source: Public Information, Expert Interview, Frost & Sullivan

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The following chart sets forth the details of top five global neurodegenerative disease drugs in 2025.

Brand Name	Generic Name	Companies	Sales Revenue (2025, Million USD)	Indications	Market Share (2025, %)
Ocrevus	ocrelizumab	Roche	8,438.2	Relapsing multiple sclerosis; primary progressive multiple sclerosis	13.8%
Vyndaqel family	Tafamidis	Pfizer	6,380.0	Wild-type or hereditary transthyretin amyloid cardiomyopathy (ATTR-CM)	10.5%
Kesimpta	ofatumumab	Novartis	4,426.0	Relapsing forms of multiple sclerosis (RMS)	7.3%
REXULTI/RXULT	Brexipiprazole	Otsuka Holdings/Lundbeck	3,152.0	Schizophrenia; major depressive disorder (adjunctive); agitation associated with Alzheimer's dementia	5.2%
AUSTEDO	deutetrabenazine	Teva	2,260.0	Chorea associated with Huntington's disease; Tardive dyskinesia	3.7%

Source: Public Information, Frost & Sullivan

Notable BD Deals in Neurodegenerative Disease

Given the high barriers to entry in neurodegenerative drug development, only a handful of business development deals have materialized in this space. Our collaboration with Biohaven — an accomplished multinational pharmaceutical company — stands out as one of the largest transactions among them in terms of disclosed total deal value since 2019, underscoring both the strategic significance and commercial strength of the partnership. The following chart demonstrates China's license-out deals in neurodegenerative diseases since 2019 as of the Latest Practicable Date.

China's License-out Deals in Neurodegenerative Diseases since 2019, as of the Latest Practicable Date

Licensor	Licensee	Target	Indications	Type of Drugs	Phase	Total Deal Value (USD Million)
	Chuang Yi Global Asset Management	SLC6A4, SLC6A3, SLC6A2	Treatment-Resistant Depression	Chemical Drug	Phase II	—
	University Medical Center Utrecht	—	Neurodegenerative Disease	Chemical Drug	Preclinical	—
	Apellis Pharmaceuticals	—	Neurodegenerative Disease	Biologic Drug	Preclinical	—
	Biohaven	TYK2, JAK1	AD, PD	Chemical Drug	Preclinical	960
	Exeltis	AChE, BCHE	AD, PD	Chemical Drug	Approved	—
	Towa Pharmaceutical	AChE, BCHE	Neurodegenerative Disease	Chemical Drug	Clinical Application	—
	Novartis	Amyloid beta	Alzheimer's disease	Biologic Drug	Preclinical	Up to ~1,665

* Referred to the clinical stage at which the licensing deal was disclosed.

Abbreviations: AD = Alzheimer's disease, PD = Parkinson's disease

Source: Insights Database, Public Information, Frost & Sullivan

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Market Drivers and Future Trends for Neurodegenerative Disease Drug Market

The growth of the neurodegenerative disease drug is expected to be driven by the following factors:

- *Expanding patient base with unmet need.* Expanding patient base with unmet needs. The global neurodegenerative drug market is propelled by accelerated demographic aging, particularly in regions like China where the population aged above 65 reached 216.8 million in 2023 and grows to 223.7 million in 2025, driving higher incidence of Alzheimer’s, Parkinson’s and ALS. Urbanization and sedentary lifestyles further amplify these trends, expanding the patient pool and sustaining demand for effective therapeutic interventions.
- *Market expansion through innovative therapies.* Disease modifying therapies such as monoclonal antibodies against amyloid β and tau pathologies and gene therapies for rare disorders like spinal muscular atrophy are transforming treatment beyond symptomatic relief by targeting core disease mechanisms. Advances in blood-brain barrier penetration using nanoparticle carriers and receptor mediated transport overcome historic delivery obstacles to the central nervous system, while small molecule JAK inhibitors provide anti-inflammatory activity. These high value innovations command premium pricing and attract substantial research and development investment, thus broadening market capacity for neurodegenerative disease therapies.
- *Accelerated approval through regulatory reform.* The growth of the neurodegenerative disease drug industry has been supported in large part by a series of favorable government policies in China spanning regulatory approval, innovation incentives, medical insurance coverage and public health strategy. In particular, the NMPA has established and refined accelerated regulatory pathways, including breakthrough therapy designation, conditional approval and priority review and approval procedures, which are applicable to innovative therapies addressing serious or life-threatening diseases or conditions that severely affect quality of life, such as Alzheimer’s disease and Parkinson’s disease. In addition, regulatory policies addressing clinically urgent and overseas-approved innovative drugs provide further support for the introduction of novel neurodegenerative disease therapies into the China market. On the reimbursement side, the Chinese government has continued to advance healthcare security reform through the dynamic adjustment of the NRDL, with an emphasis on supporting drugs with high clinical value and a high degree of innovation through price negotiations and broader insurance coverage. Such measures have improved affordability and are expected to enhance post-approval market penetration of innovative therapies.

At the strategic level, national public health initiatives, including the “Healthy China 2030” Plan, the Healthy China Action (2019–2030) and elderly-health management policies have continuously promoted early screening, disease awareness, health guidance and standardized long-term management for neurodegenerative disorders including Alzheimer’s disease and Parkinson’s disease. These measures directly improve patient identification, diagnosis and treatment pathways and create a more favorable clinical development and future commercialization environment for our Core Product and other drug candidates. Specifically, our Core Product and other drug candidates may qualify for expedited regulatory communication, review and approval where they demonstrate significant clinical value or address urgent unmet medical needs, which may accelerate their clinical development and registration.

- *Enhanced investments and R&D collaborations.* Increased investments and extensive R&D partnerships are powering expansion in the neurodegenerative disease drug market. A substantial influx of capital fuels the pursuit of innovative therapies, while collaborations among companies, research institutions and government bodies enable

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resource and expertise sharing. These alliances accelerate development and commercialization timelines, yielding more effective and safer treatments that address rising patient demand and further propel market growth.

The future development of neurodegenerative disease drug is likely to witness the following trends:

- *Early detection and preventive intervention.* Advances in biomarkers and neuroimaging now enable diagnosis of neurodegenerative diseases at pre-symptomatic or prodromal stages, long before irreversible neuronal loss. This expanding early-stage patient population is driving a shift toward disease-modifying therapies aimed at halting or significantly slowing pathology and prompting the development of prophylactic treatments for high-risk individuals.
- *Enhanced CNS delivery strategies.* Novel therapies capable of penetrating the blood-brain barrier are addressing the historic limitation of inadequate central nervous system access. Engineered modalities — including sophisticated antibody formats, optimized small molecules leveraging novel transporters, and advanced platforms such as nanoparticle carriers, exosomes and focused ultrasound-mediated BBB disruption — enable direct delivery of monoclonal antibodies, gene therapies and neuroprotective agents to CNS targets. By overcoming this critical obstacle, these innovations promise to improve efficacy and redefine treatment paradigms for neurodegenerative diseases.
- *Expansion of combination and multi-target strategies.* The multifactorial nature of neurodegenerative diseases limits the efficacy of single-target agents, driving interest in combination regimens and multi-target molecules. Combination therapies harness drugs with complementary mechanisms — such as pairing disease-modifying agents with symptomatic treatments — to address multiple pathological processes simultaneously. For example, in Alzheimer’s disease, future therapeutic strategies may increasingly involve the combination of approved anti-amyloid- β agents with interventions targeting neuroinflammation, with the potential to achieve greater efficacy than monotherapy. Multi-target compounds are engineered to engage several critical nodes within a disease pathway, potentially enhancing efficacy and reducing resistance. Although these approaches demand sophisticated research frameworks and complex clinical-trial designs, they promise more comprehensive disease control and improved patient outcomes, and are poised to reshape the therapeutic landscape for neurodegenerative disorders.

Entry Barriers for Neurodegenerative Disease Drug Market

The major entry barriers for new entrants to the neurodegenerative disease drug market are set forth as follows:

- *Complex technical barriers to modulating neuroinflammation and achieving effective blood brain barrier penetration.* The development of therapies for neurodegenerative diseases is constrained by profound technical hurdles, particularly in modulating neuroinflammation and achieving effective blood-brain barrier penetration. Controlling neuroinflammation requires highly selective targeting of glial cells such as microglia and astrocytes to suppress harmful cytokines like TNF- α and IL-1 β while preserving protective functions, a task complicated by the dynamic nature of inflammatory responses across disease stages. At the same time, the blood-brain barrier prevents most conventional drugs from reaching the central nervous system, necessitating advanced delivery technologies and deep insight into its physiological and pathological features. These challenges make therapeutic innovation resource-intensive and raise the threshold for new entrants, underscoring the need for sustained research investment and specialized expertise.

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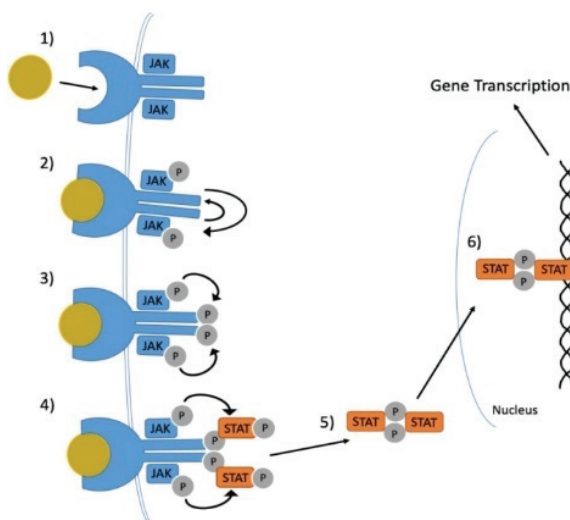
- *Shortage of specialized talent.* The neurodegenerative disease drug market faces significant challenges related to talent availability. Developing effective therapies requires professionals with deep expertise across neurology, pharmacology, medicinal chemistry, and clinical research. However, there is a pronounced shortage of specialists with the requisite knowledge and hands-on experience in neurodegenerative disease drug development. Recruiting and retaining such talent is both highly competitive and costly, creating a substantial barrier for new entrants. This shortage of expertise remains a critical constraint on advancing innovation and expanding capacity within the field.
- *High and sustained financial demands.* The development of novel neurodegenerative disease therapies requires substantial financial resources across all stages, from basic research to clinical trials and eventual regulatory approval. Early research demands significant investment in target discovery, drug design, and preclinical studies, while clinical trials are particularly costly due to large patient cohorts, extended observation periods, and rigorous regulatory standards. The long development timelines necessitate continuous funding, and the high risk of failure further compounds the financial burden. These factors make the cost of entry especially prohibitive for new entrants, posing a critical barrier to broader innovation in the field.

GLOBAL JAK INHIBITOR MARKET

Overview

Janus kinases (“**JAKs**”) are a family of cytoplasmic, non-receptor tyrosine kinases — including JAK1, JAK2, JAK3, and TYK2 — that associate with type I/II cytokine receptors and mediate signal transduction via the JAK-STAT pathway. Upon cytokine engagement, receptor-bound JAKs trans-phosphorylate one another and create docking sites for STAT transcription factors, whose subsequent phosphorylation, dimerization, and nuclear translocation drive expression of genes governing immune cell activation, proliferation, and inflammatory mediator production. Aberrant JAK-STAT signaling underlies the pathogenesis of autoimmune disorders such as rheumatoid arthritis, urticaria, and atopic dermatitis by perpetuating pro-inflammatory cytokine networks. Consequently, selective small-molecule inhibitors targeting the ATP-binding sites of specific JAK isoforms have emerged as effective oral therapies to restore immune homeostasis and control disease activity.

Mechanistically, the JAK/STAT pathway consists of the following steps: Step 1) The ligand (usually a cytokine) binds and cross-links its receptor. Step 2) The associated JAKs transphosphorylate and activate each other. Step 3) The activated JAKs phosphorylate the receptor tail. Step 4) The receptor tail becomes a docking site for recruited STAT proteins, which themselves are phosphorylated by the activated JAKs. Step 5) The phosphorylated STATs dissociate from the receptor and dimerise. Step 6) STAT dimers translocate to the nucleus where they regulate gene transcription. The following diagram shows the JAK/STAT pathway steps.



Source: *Mediterranean Journal of Rheumatology*, Frost & Sullivan

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The JAK family is central to the JAK/STAT pathway and is involved in many inflammatory and immune diseases. Single-target JAK inhibitors, with good selectivity and safety, are widely used, but for complex, multi-pathway diseases, dual-target JAK inhibitors offer stronger efficacy, broader indications, and the potential to overcome drug resistance.

TLL-018 exhibits outstanding kinase selectivity, showing highly targeted inhibition of JAK1 and TYK2, with minimal inhibitory effect on non-target kinases such as JAK2. The following diagram illustrates a comparison of selectivity of JAK inhibitors.

Target	Genetic Name	Selectivity for TYK2/JAK1 vs. JAK2 <i>in vitro</i> , IC50(nM)			Conclusion
		Target kinases		Non-target kinases	
		JAK1	TYK2	JAK2	
JAK1, TYK2	TLL-018	4	5	>1000	- Confers >200-fold selectivity for JAK1 and TYK2 over JAK2. - Profiling against a panel of over 350 human kinase showed that TLL-018 is exclusively selective for JAK1 and TYK2, with ≥90-fold selectivity against all other kinases tested. - TLL-018 exhibited potent cellular activity for JAK1-mediated IL-6 signaling (IC50 = 0.6 μM) with greater than 100-fold selectivity against JAK2-mediated cytokine (e.g., TPO) signaling in human whole blood-based assays.
	Brepocitinib	23	17	77	- Confers <5-fold selectivity for JAK1 and TYK2 over JAK2. - efficacy observed in other indications but with potential limitations from lower selectivity
	Soficitinib	19	0.5	191	Confers <15-fold selectivity for JAK1 over JAK2.
JAK	Tofacitinib	1	42	2	In head-to-head Phase 2 mid-term analysis, TLL-018 vs. tofacitinib, ACR50 response rates were 48.0% (10mg), 65.4% (20mg), and 72.0% (30mg), exceeding tofacitinib's 41.7%.
JAK1	abrocitinib	29	1247	803	Confers <30-fold selectivity for JAK1 over JAK2.

Source: *Annals of the Rheumatic Diseases, Arthritis & Rheumatology, Journal of the American Academy of Dermatology, Anais Brasileiros De Dermatologia, Public Information, Frost & Sullivan*

Competitive Landscape of JAK Inhibitors Indicated for Autoimmune Disease

As of the Latest Practicable Date, there are over ten approved JAK inhibitors globally, in which five of them are mono-selective and six are dual-target or multi target. The following table sets forth the global marketed JAK inhibitors as of the Latest Practicable Date.

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Global Marketed JAK Inhibitors Indicated for Autoimmune Diseases as of the Latest Practicable Date

Target	Generic Name	Manufacturer	Approved Indications	Market Authority	First Approval Date	Sales Revenue (2024, Million USD)	Sales Revenue (2025, Million USD)
JAK1, JAK2, JAK3	Tofacitinib	Pfizer	Rheumatoid Arthritis, Juvenile Idiopathic Arthritis, Psoriatic Arthritis, Ulcerative Colitis, Polyarticular Juvenile Idiopathic Arthritis, Juvenile Psoriatic Arthritis, Ankylosing Spondylitis	FDA, EMA, NMPA	<u>2012-11-06 (FDA)</u> <u>2017-03-22 (EMA)</u> <u>2017-03-10 (NMPA)</u>	1,168	1,087
	Baricitinib	Incyte Corporation, Lilly	Rheumatoid Arthritis, Atopic Dermatitis, COVID-19, Alopecia Areata, Juvenile Idiopathic Arthritis, Enthesitis-Related Arthritis, Juvenile Psoriatic Arthritis, Polyarticular Juvenile Idiopathic Arthritis	FDA, EMA, NMPA	<u>2018-05-31 (FDA)</u> <u>2017-02-13 (EMA)</u> <u>2019-06-24 (NMPA)</u>	957	NA
JAK1, JAK2	Ruxolitinib	Lilly	Myelofibrosis, Polycythemia vera, Graft versus host disease	FDA, EMA, NMPA	<u>2011/11/16 (FDA)</u> <u>2012/8/23 (EMA)</u> <u>2017/3/10 (NMPA)</u>	4,728	5,203
	Ruxolitinib Cream	Incyte Corporation	Atopic Dermatitis, Non-Segmental Vitiligo	FDA, EMA	<u>2021-09-21 (FDA)</u> <u>2023-04-19 (EMA)</u>	508	679
	Deuterated ruxolitinib	Sun Pharmaceutical Industries	Alopecia Areata	FDA	<u>2024-07-25 (FDA)</u>	NA	NA
JAK1, JAK2, ROCK1, ROCK2	Rovadictinib	Chia Tai Tianqing	Myelofibrosis	NMPA	<u>2026-02-25 (NMPA)</u>	NA	NA
JAK1, JAK, JAK3, TYK2, ALK2	Gecacitinib	Zelgen Biopharmaceuticals	Myelofibrosis	NMPA	<u>2025-05-27 (NMPA)</u>	NA	NA
JAK1, JAK2, ALK2	Momelotinib	Gilead	Myelofibrosis	FDA, EMA	<u>2023-09-15 (FDA)</u> <u>2024-01-25 (EMA)</u>	477	748
JAK3, TEC	Ritlecitinib	Pfizer	Alopecia Areata	FDA, EMA, NMPA	<u>2023-06-23 (FDA)</u> <u>2023-09-15 (EMA)</u> <u>2023-10-18 (NMPA)</u>	NA	NA
JAK1	Upadacitinib	AbbVie	Rheumatoid Arthritis, Psoriatic Arthritis, Ankylosing Spondylitis, Atopic Dermatitis, Ulcerative Colitis, Non-Radiographic Axial Spondyloarthritis, Crohn's Disease, Polyarticular Juvenile Idiopathic Arthritis, Juvenile Psoriatic Arthritis, Giant Cell Arteritis	FDA, EMA, NMPA	<u>2019-08-16 (FDA)</u> <u>2019-12-16 (EMA)</u> <u>2022-02-18 (NMPA)</u>	5,971	8,304
	Filgotinib	Galapagos	Rheumatoid Arthritis, Ulcerative Colitis	EMA	<u>2020-09-24 (EMA)</u>	NA	NA
	Abrocitinib	Pfizer	Atopic Dermatitis	FDA, EMA, NMPA	<u>2022-01-14 (FDA)</u> <u>2021-12-09 (EMA)</u> <u>2022-04-08 (NMPA)</u>	215	271
	Golidocitinib	Dizal Pharmaceutical	Peripheral T-cell lymphoma	NMPA	<u>2024-06-18 (NMPA)</u>	NA	NA
	Ivarmacitinib	Hengrui	Ankylosing Spondylitis, Rheumatoid Arthritis, Atopic Dermatitis, Alopecia Areata	NMPA	<u>2025-3-18 (NMPA)</u>	NA	NA
TYK2	Deucravacitinib	Bristol Myers Squibb	Plaque Psoriasis, Pustular Psoriasis, Erythrodermic Psoriasis	FDA, EMA, NMPA	<u>2022-09-09 (FDA)</u> <u>2023-03-24 (EMA)</u> <u>2023-10-18 (NMPA)</u>	246	291
JAK	Delgocitinib	Japan Tobacco, Torii Pharmaceutical, Akros Pharma	Atopic Dermatitis, Eczema	EMA	<u>2024-09-19 (EMA)</u>	NA	NA
	Peficitinib	Astellas	Rheumatoid Arthritis	NMPA	<u>2024-07-30 (NMPA)</u>	NA	NA
JAK2	Bezacitinib	Bangshun Pharmaceutical	Myelofibrosis	NMPA	<u>2026-04-29 (NMPA)</u>	NA	NA
JAK2, FLT3	Fedratinib	Sanofi	Myelofibrosis	FDA, EMA	<u>2019-08-16 (FDA)</u> <u>2021-02-08 (EMA)</u>	NA	NA
	Pacritinib	S-BIO	Myelofibrosis	FDA	<u>2022-02-28 (FDA)</u>	146	120

Note: The JAK target in the table is a broad-spectrum target, and specific targets have not been publicly disclosed.

Source: FDA, EMA, Frost & Sullivan

The rapid sales growth of leading JAK inhibitors underscores the segment’s strong commercial momentum and substantial market potential. For example, global sales of Rinvoq[®] (upadacitinib) reached US\$5,971.0 million in 2024 and surged to US\$8,304.0 million in 2025, reflecting year-over-year growth of approximately 40%. This growth trajectory highlights the expanding adoption of JAK inhibitors across multiple indications and position the class as one of the most promising therapeutic categories in the autoimmune and inflammatory disease market.

Market Opportunities of JAK Inhibitors in Autoimmune Diseases

Rheumatoid Arthritis

Rheumatoid arthritis (“RA”) is a chronic, systemic autoimmune disorder characterized by persistent synovial inflammation, which manifests clinically as joint stiffness, pain, and swelling, ultimately leading to cartilage destruction, joint deformity, functional impairment and increased mortality. The pathological hallmark of RA is hyperplasia of the synovial lining, driven by pro-inflammatory cytokines and immune cell infiltration, which not only compromises joint integrity but also produces systemic symptoms such as fever, fatigue, myalgia and anorexia. The primary objectives of RA management are to suppress inflammation, prevent structural joint damage, preserve physical function, alleviate pain and enhance patient quality of life.

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RA is a mature disease area with a well-established epidemiological profile, and its prevalence would generally not be expected to rise materially over a short period. Accordingly, the projected increase in patient numbers remains limited. Published guidelines and epidemiological studies generally indicate that RA has a prevalence of approximately 0.42% in China and approximately 0.5%-1.0% globally. In China, the prevalence of RA remained relatively stable as the prevalence increased from 6.0 million cases in 2020 to 6.2 million cases in 2025 at a CAGR of 0.7%, and is projected to reach 6.4 million cases by 2030 and further reach 6.7 million cases by 2035, representing a CAGR of 0.8% from 2025 to 2030 and 0.9% from 2030 to 2035, respectively. The global prevalence of RA increased from 39.8 million cases in 2020 to 41.8 million cases in 2025 at a CAGR of 1.0%, and is projected to reach 43.7 million cases by 2030 and further reach 45.4 million by 2035, representing a CAGR of 0.9% from 2025 to 2030 and 0.8% from 2030 to 2035, respectively. Such increase is driven primarily by demographic factors, in particular population aging, rather than any marked uplift in the underlying prevalence rate.

First-line therapy of RA consists of conventional synthetic disease-modifying antirheumatic drugs (csDMARDs) — notably methotrexate, sulfasalazine, leflunomide and hydroxychloroquine — often used in combination with non-steroidal anti-inflammatory drugs, low-dose corticosteroids, analgesics, physiotherapy and occupational therapy to optimize symptom control and functional capacity. In cases of inadequate response or intolerance to csDMARDs, biologic DMARDs targeting key pathogenic mediators are introduced. These include monoclonal antibodies and fusion proteins directed against tumor necrosis factor-alpha (TNF- α), CD20, interleukins (IL-1, IL-6) or the IL-6 receptor, as well as agents modulating T-cell co-stimulation.

Despite the proven efficacy of anti-TNF agents and other biologics in achieving disease remission and inhibiting radiographic progression, several unmet needs persist. Loss of therapeutic response may arise from high inflammatory burden, subtherapeutic serum drug levels, accelerated clearance or immunogenicity. Moreover, biologic therapies can be constrained by safety concerns, complex dosing regimens and high cost. Consequently, there remains an urgent demand for novel therapeutic modalities that combine enhanced efficacy, sustained response, favorable safety profiles and improved accessibility to optimize long-term outcomes for patients living with RA. While the overall treatment principles are broadly aligned with international standards, the treatment pathway for RA in China, as referenced from the Chinese Guidelines for the Diagnosis and Treatment of Rheumatoid Arthritis, differs in certain aspects, including greater retention of conventional synthetic DMARD combinations prior to escalation, broader positioning of JAK inhibitors alongside biologics, and the inclusion of certain locally approved small-molecule therapies as part of the standard of care.

Within this treatment paradigm, TLL-018 is developed for patients with active, moderate-to-severe rheumatoid arthritis who have demonstrated an inadequate response to, or intolerance of, prior therapies. Its primary target population comprises patients who are inadequate responders to, or intolerant of, biologic DMARDs, consistent with the inclusion criteria of our pivotal Phase III clinical trial. In addition, TLL-018 has been evaluated in Phase II studies in patients with inadequate response to, or intolerance of, methotrexate, supporting its potential use in conventional synthetic DMARD-inadequate responder populations. The diagram below illustrates the recommended treatment paradigm for RA in China.

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- Anchor Drug: Methotrexate (MTX) is the preferred first-line monotherapy. - Alternatives: If MTX is contraindicated or intolerant, use Iguratimod, Leflunomide, or Sulfasalazine. - Bridging: For medium/high disease activity, combine with short-term low-dose glucocorticoids or NSAIDs for rapid control Assessment: Efficacy assessed after 1-3 months. If disease is controlled, maintain current treatment; if not, proceed to csDMARD optimization. Real-World Outcome: Approximately 21.8% of patients discontinue csDMARDs due to inadequate efficacy or intolerance	- Strategy: If initial monotherapy fails, Switch to another csDMARD (e.g., Iguratimod) or combine 2-3 csDMARDs. - Common Regimens: MTX + Iguratimod, MTX + Leflunomide, or Triple Therapy (MTX + SSZ + HCQ). Assessment: Efficacy assessed after 3-6 months. If disease remains uncontrolled, proceed to advanced therapy. Real-World Outcome: Despite csDMARD optimization, a significant proportion of patients fail to achieve sustained disease control and progress to advanced therapies.	- Indication: If csDMARD strategies fail (or poor prognostic factors exist). - Regimen: Combine csDMARD with a Biologic DMARD (TNF-α, IL-6 inhibitors) or a targeted synthetic DMARD (JAK inhibitors, TYK2 inhibitors, or dual-target JAK1/TYK2 inhibitors including TLL-018). Assessment: Efficacy assessed at 3 months. If no improvement or treatment target is not achieved by 6 months, proceed to switching. Real-World Outcome: Among patients treated with bDMARDs, approximately 58% ultimately fail therapy. In addition, approximately 10% discontinue due to intolerance and 6.3% due to acute adverse reactions.	- Switching: If the first targeted drug fails, switch to a drug with a different mechanism of action (e.g., from Anti-TNF to Anti-IL-6 or JAK Inhibitor). - Tapering: Tapering is considered only after sustained remission (>6 months). Gradual dose reduction is preferred over discontinuation. Clinically: Cycling of mechanisms is recommended. Standard of care involves continuous use of csDMARDs alongside the new agent.

Note: DMARDs (disease-modifying anti-rheumatic drugs) include methotrexate, leflunomide, sulfasalazine (SSZ), hydroxychloroquine (HCQ), azathioprine, cyclophosphamide and so on. NSAIDs (Nonsteroidal Anti-inflammatory Drugs) include aspirin, acetaminophen, indomethacin, naproxen, etc.

Source: 2024 Chinese Guidelines for the Diagnosis and Treatment of Rheumatoid Arthritis, Frost & Sullivan

In 2025, the RA indication market accounts for approximately 21% and 25% of global and Chinese JAK inhibitors market, respectively. As of the Latest Practicable Date, there are six JAK inhibitors approved for RA globally, including five available in China. As of the same date, there are nine JAK inhibitors targeting RA in clinical development globally (excluding China) and 14 JAK inhibitors targeting RA in clinical development in China, among which three drug candidates are in Phase III clinical-stage.

Global Marketed JAK Inhibitors Indicated for RA as of the Latest Practicable Date

Manufacture	Genetic Name	Target	Approved Indications	Market Authority	First Approval Date
Hengrui	Ivarmacitinib	JAK1	RA	NMPA	2025-03-18 (NMPA)
Astellas	Peficitinib	JAK3		NMPA	2024-07-30 (NMPA)
Galapagos	Filgotinib	JAK1		EMA	2020-09-24 (EMA)
AbbVie	Upadacitinib	JAK1		FDA, EMA, NMPA	2019-08-16 (FDA) 2019-12-16 (EMA) 2022-03-18 (NMPA)
Incyte	Baricitinib	JAK1, JAK2		FDA, EMA, NMPA	2018-05-31 (FDA) 2017-02-13 (EMA) 2019-06-24 (NMPA)
Pfizer	Tofacitinib	JAK1, JAK2, JAK3		FDA, EMA, NMPA	2012-11-06 (FDA) 2017-03-22 (EMA) 2017-03-10 (NMPA)

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JAK Inhibitors at Clinical-Stage Globally (Excluding China) Indicated for RA as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
Celon Pharma	II	CPL-116	JAK, ROCK	2022-05-10	RA
Pfizer	II	Tofacitinib Zimlovisertib Ritlecitinib	JAK1, JAK2, JAK3 IRAK4 JAK3, TEC	2020-04-14	
AbbVie	II	Elsubrutinib+Upadacitinib- ABBV-599 Elsubrutinib	BTK, JAK1 BTK	2018-09-25	
Gilead	II	Filgotinib Lanraplenib	JAK1, SYK	2016-08-26	
Vertex Pharmaceuticals	II	Decernotinib	JAK3	2012-12-18	
Incyte	II	Itacitinib	JAK1	2012-06-20	
EQRx	I	LNK01001	JAK1	2022-02-18	
HK inno.N	I	CJ-15314	JAK1	2020-03-06	
HighlightII Pharma	I	TLL-018	JAK1, TYK2	2020-01-28	

JAK Inhibitors at Clinical-Stage Indicated for RA in China as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
Lynk	III	LNK01001	JAK1	2023-09-22	RA
HighlightII Pharma	III	TLL-018	JAK1, TYK2	2023-08-31	
Wuxi Fuxin Pharmaceutical	III	WXFL10203614	JAK1	2023-06-27	
Longwood Biopharmaceuticals	II	LW402	JAK1	2022-11-18	
Kelun-Biotech	II	KL130008	JAK1, JAK2	2020-12-30	
Synergy Pharmaceutical	I	HHT-109	JAK1	2026-04-02	
Jiangsu Vcare	I	VC005	JAK1	2023-05-04	
Chengdu Zeiling Biomedical	I	ZL-82	JAK3	2023-03-21	
Jiangsu Carephar, Nanjing Shenzhou Jiamei Pharmaceutical	I	H018	JAK1	2022-12-23	
Guangzhou Jiayue Pharmaceutical	I	JYP0061	JAK1	2021-09-16	
CSPC	I	SYHX1901	JAK1, TYK2, JAK3, SYK	2021-05-13	
Zhuhai United Laboratories	I	TUL01101	JAK1	2020-11-04	
Shanghai Fudan-Zhangjiang Bio- Pharmaceutical	I	FZJ-003	JAK1	2020-11-03	
Hangzhou Guangliang Biopharmaceutical	I	Bewintinib	JAK2	2019-06-04	

Source: FDA, EMA, Clinical Trial, NMPA, CDE, Frost & Sullivan

The following diagram sets forth details of end user price, market share, and reimbursement coverage for marketed JAK inhibitors indicated for RA globally and in China as of the Latest Practicable Date.

End User Price and Reimbursement Coverage for Global (Excluding China) Marketed JAK Inhibitors Indicated for RA

Manufacturer	Drug	End User Price	Medical Insurance Coverage
Galapagos	Filgotinib	£28.77/tablet (based on UK NHS indicative price of £863.10 per 30-tablet pack)	US: not approved; UK: NHS/NICE covered; Japan: NHI covered
AbbVie	Upadacitinib	US\$236.35/tablet (based on U.S. official list price of US\$7,090.41 for a 30-day supply; calculated on a once-daily basis)	US: commercial + Medicare Part D coverage; UK: NHS/NICE covered; Japan: NHI covered
Incyte	Baricitinib	US\$95.01/tablet (based on U.S. official list price of US\$2,850.41 for a 30-day supply of 2 mg tablets; calculated on a once-daily basis)	US: commercial + Medicare (plan-dependent); UK: NHS/NICE covered; Japan: NHI covered
Pfizer	Tofacitinib	US\$75.91/tablet (based on U.S. WAC of US\$4,554.86 per 60-tablet pack of 5 mg tablets)	US: commercial + Medicare (plan-dependent); UK: NHS/NICE covered; Japan: NHI covered

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Abbreviations: NHS = National Health Service in UK; NICE = National Institute for Health and Care Excellence in UK; NHI = National Health Insurance in Japan; NRDL = National Reimbursement Drug List in China

Note: End-user prices are based on publicly available benchmark prices in the relevant markets and are presented on a per smallest dosage unit basis. For the U.S., prices are based on official list price or WAC disclosures; and for the UK, prices are based on publicly available reimbursement/listed prices. The smallest dosage unit price refers to the price of one minimum dosage unit, such as one tablet, capsule or vial. Such prices are shown for reference to illustrate the pricing and reimbursement environment of the relevant products in each market and may not be directly comparable across jurisdictions due to differences in pricing, procurement and reimbursement systems.

Source: Public Information, Frost & Sullivan

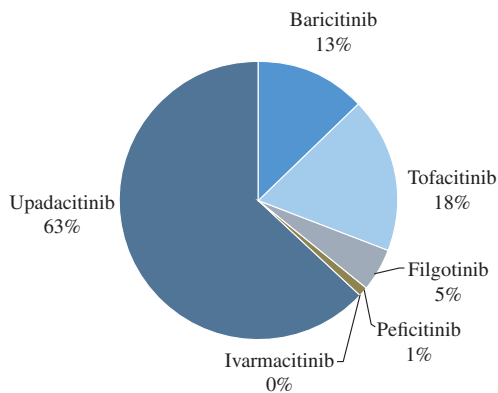
End User Price and Reimbursement Coverage for Marketed JAK Inhibitors Indicated for RA in China

Manufacturer	Drug	End User Price	Medical Insurance Coverage	Any Generic Drugs?	Generic Drugs Price
Hengrui	Ivarmacitinib	NA	Covered	No	NA
Astellas	Peficitinib	NA	Not Covered	No	NA
AbbVie	Upadacitinib	RMB65.48/tablet	Covered	No	NA
Incyte	Baricitinib	RMB38.00/tablet	Covered	Yes	RMB25.94/tablet
Pfizer	Tofacitinib	RMB1.27/tablet	Covered	Yes	RMB0.37/tablet

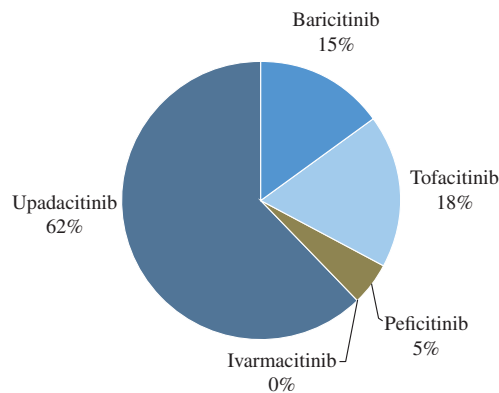
Note: End-user prices are primarily based on the lowest publicly available centralized procurement winning price or listed online price, and are presented on a per smallest dosage unit basis; the smallest dosage unit price refers to the price of one minimum dosage unit, such as one tablet, capsule or vial.

Source: Public Information, Frost & Sullivan

Market Share for Global Marketed JAK inhibitors indicated for RA in 2025



Market Share for Marketed JAK inhibitors indicated for RA in China in 2025



Note: Peficitinib is approved only in selected Asian markets, including China and Japan, and has not been approved by the FDA or EMA.

Source: Frost & Sullivan Analysis

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Chronic Spontaneous Urticaria

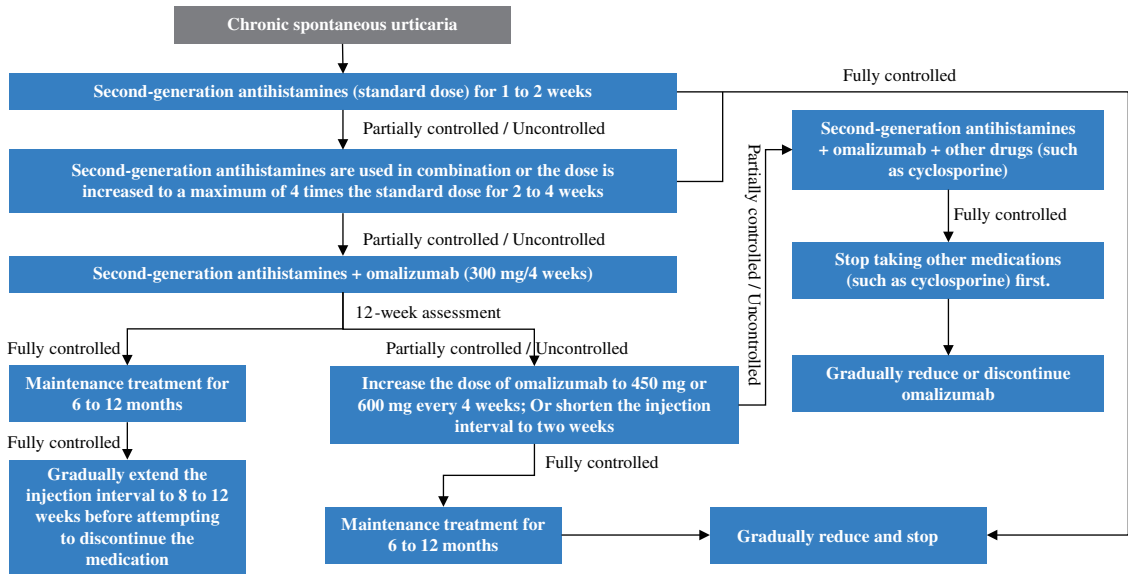
Urticaria is an allergic disorder mediated by a classic type I hypersensitivity reaction, characterized by intensely pruritic, transient wheals of variable size (1 mm to 10 cm) that appear and resolve within hours of cutaneous stimulation. While most episodes are acute which typically lasts from several days up to six weeks, some cases progress to chronic urticaria, defined by symptom persistence beyond six weeks. Chronic urticaria is divided into chronic spontaneous urticaria (“**CSU**”) and chronic inducible urticaria (“**CIndU**”). CSU, the more common form, occurs in the absence of identifiable external triggers and is characterized by the spontaneous appearance of wheals, angioedema, or both for six weeks or longer. In contrast, CIndU encompasses physical triggers such as symptomatic dermographism, cold- or heat-induced urticaria, and non-physical triggers, including cholinergic urticaria, contact urticaria and aquagenic urticaria.

CSU is characterized by a persistent underlying patient population, but its epidemiological burden would not typically be expected to expand rapidly. As such, the projected growth in patient numbers is moderate and reflects gradual changes in the size of the affected population rather than any sudden increase in disease burden. Published guidelines and literature generally report that CSU has a prevalence of approximately 1.3% in China and approximately 0.7% globally. In China, the prevalence of CSU increased from 23.9 million cases in 2020 to 26.6 million cases in 2025 at a CAGR of 2.1%, and is projected to reach 29.6 million cases by 2030 and further reach 32.2 million cases by 2035, representing a CAGR of 2.2% from 2025 to 2030 and 1.7% from 2030 to 2035, respectively. The global prevalence of CSU increased from 60.6 million cases in 2020 to 69.9 million cases in 2025 at a CAGR of 2.9%, and is projected to reach 77.2 million cases by 2030 and further reach 84.8 million by 2035, representing a CAGR of 2.0% from 2025 to 2030 and 1.9% from 2030 to 2035, respectively.

First-line therapy for CSU in China consists of second-generation H1 antihistamines administered at standard doses for an initial treatment period, with the objective of achieving symptom control. In patients with partial or inadequate response, treatment escalation is recommended, including dose up-titration of second-generation antihistamines to up to four times the standard dose or the use of combination antihistamine therapy. For patients who remain symptomatic despite optimized antihistamine treatment, add-on therapy with omalizumab is introduced, with clinical response typically assessed after an appropriate treatment interval. In cases of insufficient response to standard-dose omalizumab, further dose escalation or shortened dosing intervals may be considered to enhance disease control. Once complete symptom control is achieved, maintenance therapy is generally continued for a defined period, followed by gradual tapering through extension of dosing intervals or dose reduction. Where additional immunosuppressive therapy is required, agents such as cyclosporine may be used as adjunctive treatment, with priority given to discontinuation of concomitant medications upon achieving disease control.

While the overall treatment paradigm is broadly aligned with international guidelines, the CSU treatment pathway in China, as referenced from Diagnosis and treatment of urticaria in China, differs in certain aspects, including greater flexibility in early treatment through combination antihistamine use, a standardized approach to biologic dose escalation prior to immunosuppressant initiation, and the allowance for combination therapy involving antihistamines, biologics and immunosuppressive agents in refractory cases. The diagram below illustrates the recommended treatment paradigm for CSU in China.

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Note: The gradual tapering of second-generation antihistamines involves first reducing the dosage to half the standard dose daily or the standard dose every other day. If there is no recurrence of symptoms, after 3 to 4 weeks, the dosage can be further reduced to a quarter of the standard dose daily or half the standard dose every other day. If there is still no recurrence of symptoms, continue for another 3 to 4 weeks and reduce the dosage to a quarter of the standard dose twice a week. If there is still no recurrence of symptoms, the medication can be discontinued after 3 to 4 weeks. If symptoms recur during the tapering process, return to the previous dosage that completely controlled the symptoms.

Source: *Diagnosis and treatment of urticaria in China (2022 ver.), Frost & Sullivan*

As of the Latest Practicable Date, there is no JAK inhibitor or relevant generics approved for CSU globally. As of the same date, there are only two JAK inhibitors for CSU in clinical development globally (excluding China), and three in clinical development in China.

Global (excluding China) Clinical-stage JAK Inhibitors Indicated for CSU as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
Incyte Corporation	II	Povorcitinib	JAK1	2023-07-07	CSU
Pfizer	II	Ritlecitinib	JAK3, TEC	2025-10-22	

JAK Inhibitors at Clinical Stage Indicated for CSU in China as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
Highlightl Pharma	III	TLL-018	JAK1, TYK2	2024-03-19	CSU
InnoCare Pharma	II/III	ICP-332	JAK1, TYK2	2026-01-04	
Pfizer	II	Ritlecitinib	JAK3, TEC	2025-12-17	

Source: *FDA, EMA, Clinical Trial, Frost & Sullivan*

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Atopic Dermatitis

Atopic dermatitis (“AD”) is a chronic, recurrent, immune-mediated dermatologic disorder defined by skin xerosis, severe pruritus, eczematous lesions and variable rash severity. Its multifactorial etiology involves genetic predisposition, environmental triggers, epidermal barrier impairment, a Th2-dominant adaptive immune response; and alterations in the cutaneous microbiome. Sustained inflammation and barrier dysfunction underlie the characteristic intense itching and recurring eczematous eruptions, which may present on a continuum from mild manifestations such as pityriasis alba or localized hand eczema to widespread erythroderma. Diagnostic criteria require the presence of pruritic lesions of typical morphology and distribution persisting beyond the acute phase.

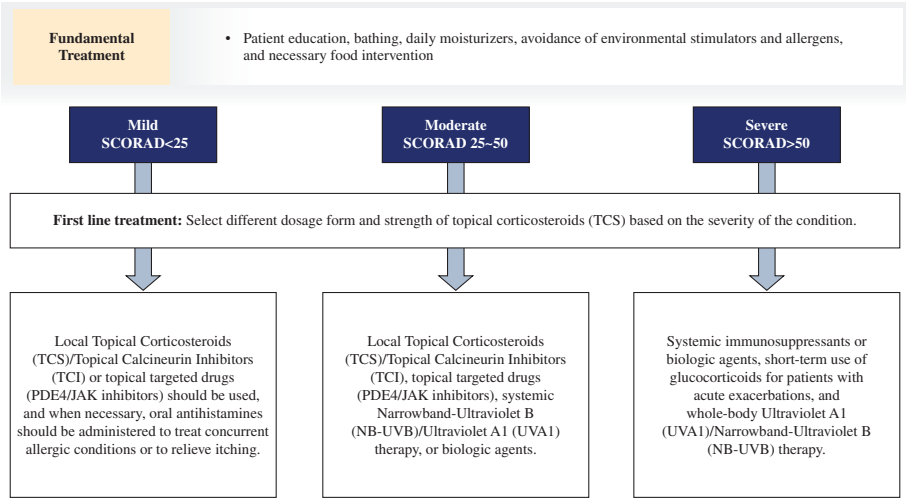
Although AD is not life-threatening, it generates considerable physical, psychological and socioeconomic impact. Onset typically occurs in early childhood and frequently extends into adulthood. Patients with moderate to severe disease experience substantial skin morbidity, sleep disturbance, and elevated rates of anxiety and depression, all of which contribute to impaired quality of life, diminished self-esteem and reduced academic or occupational performance. These factors highlight the critical need for therapeutic interventions that deliver durable control of both immunologic activity and barrier restoration.

AD may arise across the lifespan and is not confined to a narrow age segment. This gives rise to a large and persistent patient base, while also meaning that prevalence growth is more likely to be gradual than driven by abrupt shifts in any single demographic cohort. Published guidelines and epidemiological studies indicate that AD has a substantial existing patient population, with a prevalence of approximately 4.6% in adults and 13% in children in China, and approximately 2.0% in adults and 4.0% in children globally. In China, the prevalence of AD increased from 67.4 million cases in 2020 to 74.1 million cases in 2025 at a CAGR of 1.9%, and is projected to reach 79.1 million cases by 2030 and further reach 81.2 million cases by 2035, representing a CAGR of 1.3% from 2025 to 2030 and 0.5% from 2030 to 2035, respectively. The global prevalence of AD increased from 659.0 million cases in 2020 to 711.4 million cases in 2025 at a CAGR of 1.5%, and is projected to reach 763.1 million cases by 2030 and further reach 814.4 million by 2035, representing a CAGR of 1.4% from 2025 to 2030 and 1.3% from 2030 to 2035, respectively. The moderate CAGR reflects the established epidemiological pattern of AD, rather than any assumption of accelerated disease expansion.

In China, management of atopic dermatitis is determined by disease severity as measured by the SCORAD index and begins with foundational measures such as patient education, trigger avoidance, regular bathing, liberal emollient use and, when appropriate, dietary adjustment. First-line pharmacotherapy emphasizes topical anti-inflammatory agents — including corticosteroids and calcineurin inhibitors — augmented by novel targeted options such as topical PDE4 and JAK inhibitors. Patients with moderate to severe disease may also receive phototherapy with narrowband UVB or UVA1 in addition to topical treatment. In refractory or high-burden cases, systemic immunosuppressants, biologic agents and short course systemic corticosteroids for acute flares are employed to achieve rapid inflammation control and restore epidermal barrier integrity.

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The following sets forth the treatment diagram of AD as recommended by China’s national guidelines:



Note: SCORAD = SCORing of Atopic Dermatitis

Source: Chinese guideline for diagnosis and treatment of atopic dermatitis (2020), Frost & Sullivan

In 2025, the AD indication market accounts for approximately 23% and 26% of global and Chinese JAK inhibitors market, respectively. As of the Latest Practicable Date, there are five JAK inhibitors approved for AD globally, including three available in China. As of the same date, there is one JAK inhibitor for AD in Phase III clinical development globally (excluding China), and seven in China.

Global Marketed JAK Inhibitors Indicated for AD as of the Latest Practicable Date

Manufacturer	Genetic Name	Target	Approved Indications	Market Authority	First Approval Date
OTCPK: TRXPF, Japan Tobacco, Akarx	Delgocitinib	JAK	AD	FDA, EMA	2025-07-23 (FDA) 2024-09-19 (EMA)
Pfizer	Abrocitinib	JAK1		FDA, EMA, NMPA	2022-01-14 (FDA) 2021-12-09 (EMA) 2022-04-08 (NMPA)
AbbVie	Upadacitinib	JAK1		FDA, EMA, NMPA	2019-08-16 (FDA) 2019-12-16 (EMA) 2022-02-18 (NMPA)
Incyte	Baricitinib	JAK1, JAK2		FDA, EMA	2018-05-31 (FDA) 2017-02-13 (EMA)
Hengrui	Ivarmacitinib	JAK1		NMPA	2025-03-18 (NMPA)

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Global (excluding China) Clinical-stage JAK Inhibitors Indicated for AD as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date
Reistone Biopharma	III	Ivamacitinib	JAK1	2021-05-06
Aclaris	II	ATI-2138	JAK3, ITK	2024-09-05
Tekoro	II	TDM-180935	JAK1, TYK2	2024-04-09
Aclaris	II	Lepzacitinib	JAK1, JAK3	2022-06-20
Pfizer	II	Brepocitinib	JAK1, TYK2	2019-04-02
Asana	II	Gusacitinib	SYK, JAK1, JAK2, JAK3, TYK2	2018-05-09
Novartis	I	CEE321	JAK	2020-10-27

JAK Inhibitors at Clinical Stage Indicated for AD in China as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date
Jiangsu Vcare Pharmatech	III	VC005	JAK1	2026-04-23
Longwood Biopharmaceuticals	III	LW402	JAK1	2026-01-27
Minghui Pharmaceutical	III	Tofacitinib etocomil	JAK	2025-04-02
E-nitiate Biopharmaceuticals	III	QY201	JAK1, TYK2	2025-02-07
Guangzhou InnoCare Pharma	III	Soficitinib	JAK1, TYK2	2024-08-26
Lynk Pharmaceuticals	III	LNK01001	JAK1	2024-01-03
Beijing Primegene Pharmaceutical	III	Pumecitinib	JAK1, JAK2	2023-02-27
China Medical System	II	CMS-D001	TYK2	2026-01-19
Jiangsu Carephar Pharmaceutical	II	H018	JAK1	2025-08-04
Chengdu Zeling Biomedical	II	ZL-82	JAK3	2025-04-30
Wuxi Fortune Pharmaceutical	II	WXFL10203614	JAK1	2024-08-14
Zhuhai United Laboratories	II	TUL01101	JAK1	2023-11-13
Guangzhou Jiayue Pharmaceutical	II	JYP0061	JAK1	2023-11-09
Medinno Pharmaceutical	II	MDI-1228	JAK	2023-09-27
Suzhou Zelgen Biopharmaceuticals	I/II	Gecacitinib cream	ALK2, JAK1, TYK2, JAK2, JAK3	2020-06-11
Highlightl Pharma	I	TLL-018	JAK1, TYK2	2023-07-07
E-nitiate Biopharmaceuticals	I	QY211	JAK1, TYK2	2023-02-15
Suzhou Longbotai Pharmaceutical	I	LBG-1600M	JAK1	2021-06-18

Source: FDA, EMA, Clinical Trial, Frost & Sullivan

Systemic Lupus Erythematosus

Systemic lupus erythematosus (“SLE”) is an autoimmune disease associated with substantial morbidity and mortality. It is the most common type of lupus, causing widespread inflammation and tissue damage in the affected organs. Its precise cause remains unclear, but it is believed to result from a combination of genetic predisposition, hormonal influences and environmental triggers such as infections and ultraviolet light exposure. Globally, SLE represents a significant unmet medical need, with increasing disease awareness, improved diagnostic capabilities and ongoing investment in research driving demand for more effective and targeted therapies. Current treatment options — such as corticosteroids, immunosuppressants, antimalarials and biologics — are aimed at controlling symptoms and preventing flares, but there remains substantial opportunity for innovation to improve long-term outcomes and quality of life for patients.

In China, the prevalence of SLE presents an increasing trend with the prevalence increasing from 1.0 million cases in 2020 to 1.1 million cases in 2025 at a CAGR of 0.8%, and is projected to reach 1.1 million cases by 2030 and further reach 1.2 million cases by 2035, representing a CAGR of 1.1% from 2025 to 2030 and 1.0% from 2030 to 2035, respectively. The global prevalence

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of SLE reached 8.2 million in 2025 with a CAGR of 1.1% from 2020 to 2025. It is expected to increase to 8.8 million in 2030 and 9.2 million in 2035, with a CAGR of 1.1% and 1.0% from 2025 to 2030 and 2030 to 2035, respectively.

As of the Latest Practicable Date, there were no JAK inhibitors approved for SLE globally. As of the same date, there are only two JAK inhibitors for SLE in Phase III clinical development globally (excluding China), and two in China.

Global (Excluding China) Clinical-stage JAK Inhibitors Indicated for SLE as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
AbbVie	III	Upadacitinib	JAK1	2023-05-06	SLE
Bristol Myers Squibb	III	Deucravacitinib	TYK2	2022-11-17	
Alumis	II	Envudeucitinib	TYK2	2023-07-28	
Galapagos	II	GLPG3667	TYK2	2023-05-04	
Gilead	II	Filgotinib	JAK1	2017-09-18	

JAK Inhibitors at Clinical Stage Indicated for SLE in China as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
AbbVie	III	Upadacitinib	JAK1	2024-01-19	SLE
Bristol Myers Squibb	III	Deucravacitinib	TYK2	2023-03-01	
CHIA TAI Tianqing	II	TQH3906	JAK1, TYK2	2026-04-10	
Inventisbio	II	Nomelcitinib	TYK2	2025-12-29	
Pfizer	II	Brepocitinib-PF-06700841	JAK1, TYK2	2020-03-19	
Hengrui	I	Ivarmacitinib	JAK1	2023-12-26	
Shiyao Group Ouyi Pharmaceutical	I	SYHX1901	JAK1, TYK2, JAK3, SYK	2021-05-13	

Source: FDA, EMA, Clinical Trial, Frost & Sullivan

Indications for Topical JAK Inhibitors

Topical Janus kinase (JAK) inhibitors represent an emerging class of targeted immunomodulatory therapies designed to locally inhibit the JAK-STAT signaling pathway, a key mediator of inflammatory and autoimmune processes in the skin. By selectively blocking intracellular signaling triggered by pro-inflammatory cytokines, topical JAK inhibitors reduce inflammation, alleviate pruritus, and, in certain conditions, promote repigmentation — while minimizing systemic exposure and associated safety risks.

Since 2021, regulatory approvals have expanded the clinical use of topical JAK inhibitors across multiple dermatologic indications:

- *Atopic dermatitis (AD)*. Opzelura® (ruxolitinib cream) has been approved in the United States and other markets for the treatment of mild to moderate AD in adults and adolescents aged 12 years and older. Clinical studies have demonstrated rapid improvement in pruritus and lesion clearance, with a favorable safety profile due to minimal systemic absorption.
- *Non-segmental vitiligo*. Ruxolitinib cream is also approved for the treatment of non-segmental vitiligo, where it has been shown to facilitate repigmentation by modulating autoimmune destruction of melanocytes.

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- **Chronic hand dermatitis.** Corectim® (delgocitinib ointment) has been approved in Japan for chronic hand dermatitis, including cases refractory to topical corticosteroids. Its efficacy in reducing erythema, scaling, and fissuring highlights the potential of JAK inhibition in persistent inflammatory dermatoses.

The expanding label indications for topical JAK inhibitors reflect their versatility in addressing immune-mediated skin diseases with high unmet medical need. Their targeted mechanism, rapid onset of action, and localized delivery position them as a differentiated therapeutic class within the dermatology market, with potential for further indication expansion in conditions such as alopecia areata, psoriasis, and other localized inflammatory disorders currently under clinical investigation.

As of the Latest Practicable Date, there are two approved topical JAK inhibitors for dermatological diseases globally, and no topical JAK inhibitors have been approved in mainland China. As of the same date, there are more than 20 topical JAK inhibitors for dermatological diseases globally in clinical development, including more than 15 in China.

Global Marketed Topical JAK Inhibitors as of the Latest Practicable Date

Target	Generic Name	Manufacturer	Approved Indications	Market Authority	First Approval Date
JAK	Delgocitinib	Japan Tobacco, Torii Pharmaceutical, Akros Pharma	Atopic Dermatitis, Eczema	EMA	2024-09-19 (EMA)
JAK1, JAK2	Ruxolitinib Cream	Incyte Corporation, Tiofarma	Atopic Dermatitis, Nonsegmental Vitiligo	FDA, EMA	2021-09-21 (FDA) 2023-04-19 (EMA)

Source: FDA, EMA, Frost & Sullivan

Market Opportunities of JAK Inhibitors in Neurodegenerative Diseases

The absence of approved JAK inhibitors for neurodegenerative diseases (NDDs) stems from interconnected scientific and clinical challenges, with blood-brain barrier (BBB) penetration as the primary impediment, alongside selectivity, safety, and disease complexity.

- **Structural limitations.** The BBB’s tight endothelial junctions and efflux pumps (e.g., P-glycoprotein) exclude most of systemic drugs. Most JAK inhibitors (e.g., tofacitinib) are large (>400 Da) or polar, failing passive diffusion.
- **Selectivity.** TYK2/JAK1 drive neuroinflammation, while JAK2/JAK3 inhibition causes anemia, thrombocytopenia, and infections. Non-selective JAK inhibitors (e.g., ruxolitinib) carry FDA black box warnings.
- **Safety trade-offs.** Early candidates (e.g., pan-JAK inhibitors) showed efficacy *in vitro* but caused peripheral toxicity *in vivo*, halting CNS development.
- **Complex neuroinflammation.** JAK-STAT pathways interact with NLRP3, α -synuclein, and A β , but their roles vary across NDDs (e.g., PD vs. AD). Single-target approaches often fail in clinical trials.

Alzheimer’s disease

Alzheimer’s disease is a progressive neurodegenerative disorder characterized by the cerebral accumulation of misfolded protein aggregates which precipitate neuronal loss, brain atrophy and consequent deficits in memory and executive function. Accounting for 60-70 percent of all dementia cases, AD follows an insidious course with gradual clinical deterioration over time. Its etiology is multifactorial, with advanced age as the most significant risk factor, alongside genetic predisposition, vascular comorbidities and lifestyle influences.

INDUSTRY OVERVIEW

In China, the prevalence of Alzheimer’s disease increased from 12.5 million cases in 2020 to 15.1 million cases in 2025 at a CAGR of 3.8%, and is projected to reach 18.0 million cases by 2030 and further reach 21.5 million cases by 2035, representing a CAGR of 3.7% from 2025 to 2030 and 3.6% from 2030 to 2035, respectively. The global prevalence of Alzheimer’s disease increased from 36.3 million cases in 2020 to 39.0 million cases in 2025 at a CAGR of 1.5%, and is projected to reach 41.8 million cases by 2030 and further reach 44.6 million by 2035, representing a CAGR of 1.4% from 2025 to 2030 and 1.3% from 2030 to 2035, respectively.

Management of Alzheimer’s disease requires early diagnosis, prompt initiation of therapy and lifelong, multidisciplinary care. Although current pharmacological agents can ameliorate symptoms and decelerate disease progression, none can reverse established pathology, creating a substantial unmet clinical need. In parallel, stage-appropriate supportive measures including speech and motor rehabilitation, dysphagia physical therapy, nutritional optimization and bowel training are integral to preserving patient function. Non-pharmacological strategies, emphasizing person-centered care, encompass environmental modifications, sensory stimulation, structured behavioral interventions and music therapy, all of which contribute to quality-of-life outcomes in Alzheimer’s disease patients.

Cognitive enhancement agents remain the cornerstone of pharmacotherapy for Alzheimer’s-related cognitive impairment. Cholinesterase inhibitors act by preventing the hydrolysis of acetylcholine at synaptic clefts, thereby augmenting cholinergic neurotransmission and improving attention and memory performance. Glutamate receptor antagonists mitigate excitotoxic neuronal injury by limiting excessive glutamatergic signaling, which can otherwise impair synaptic plasticity and cognitive function. Simultaneously, a substantial research effort is focused on disease-modifying treatments directed against the pathological hallmarks of Alzheimer’s disease — namely β -amyloid ($A\beta$) aggregates and hyperphosphorylated tau. These novel approaches encompass passive and active immunotherapies designed to facilitate clearance of $A\beta$ plaques, small molecules or biologics that inhibit tau aggregation, and emerging modalities such as antisense oligonucleotides and vaccine platforms, all aimed at intervening upstream in the neurodegenerative cascade.

As of the Latest Practicable Date, no JAK inhibitor have been approved for the treatment of Alzheimer’s disease globally. Only one JAK inhibitor is in clinical development for this indication globally (excluding China), and TLL-041 is the only JAK inhibitor in clinical development for Alzheimer’s disease in China.

Global (Excluding China) Clinical-stage JAK Inhibitors Indicated for Alzheimer’s Disease as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
Zhejiang Wenda PHARMA	I	WD-910	TYK2	2025-03-20	Alzheimer’s Disease

Source: FDA, EMA, Clinical Trial, Frost & Sullivan

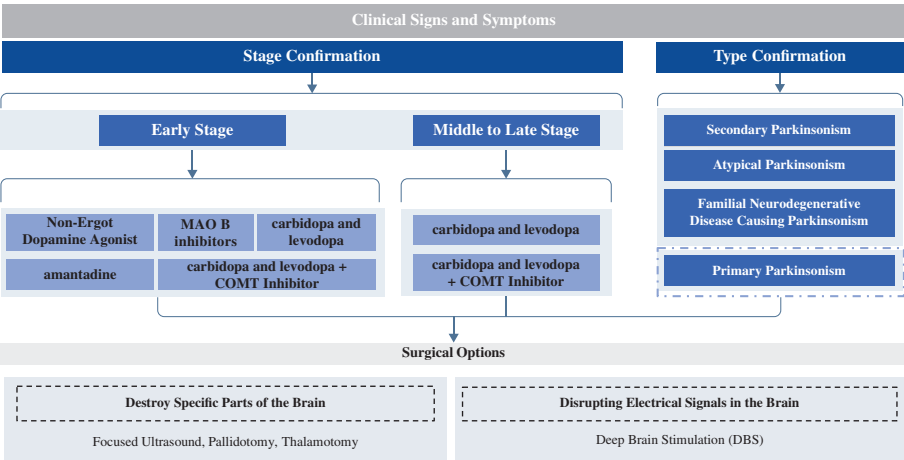
Parkinson’s Disease

Parkinson’s disease is a progressive neurodegenerative disorder characterized by resting tremor, muscular rigidity and impairments in gait, balance and coordination. First published by Hoehn and Yahr in 1967, the Hoehn and Yahr scale was the inaugural system for staging disease progression in Parkinson’s disease. Although no curative therapy exists, pharmacologic and supportive interventions can mitigate motor symptoms. Pathologically, Parkinson’s disease is defined by the selective loss of dopaminergic neurons in the substantia nigra pars compacta, resulting in reduced striatal dopamine levels and consequent disruption of nigrostriatal signaling, which underlies the cardinal motor manifestations.

INDUSTRY OVERVIEW

In China, the prevalence of Parkinson’s disease increased from 2.8 million cases in 2020 to 3.5 million cases in 2025 at a CAGR of 4.8%, and is projected to reach 4.9 million cases by 2030 and further reach 7.4 million cases by 2035, representing a CAGR of 6.6% from 2025 to 2030 and 8.6% from 2030 to 2035, respectively. The global prevalence of Parkinson’s disease increased from 8.7 million cases in 2020 to 10.3 million cases in 2025 at a CAGR of 3.3%, and is projected to reach 12.8 million cases by 2030 and further reach 15.9 million by 2035, representing a CAGR of 4.4% from 2025 to 2030 and 4.5% from 2030 to 2035, respectively.

Parkinson’s disease is diagnosed through comprehensive assessment of medical history, clinical signs and symptoms, and detailed neurological and physical examinations. In the absence of a definitive laboratory or imaging test, diagnosis rests on the convergence of these evaluative components. Confirmation of disease stage and subtype constitutes an essential element of the diagnostic process. In early-stage PD, management may employ non-ergot dopamine agonists, MAO-B inhibitors or amantadine to ameliorate motor symptoms. As patients progress to mid and late stages, carbidopa/levodopa becomes the cornerstone of pharmacotherapy and may be combined with a COMT inhibitor to optimize dopaminergic function. Subtype determination distinguishes primary Parkinsonism from secondary, atypical or familial forms. For advanced disease refractory to medical management, neurosurgical interventions may be indicated. Lesioning procedures such as focused ultrasound, pallidotomy or thalamotomy target discrete brain regions to reduce symptom burden. Alternatively, DBS offers an adjustable and reversible approach to disrupt pathological circuitry and further improve motor control. The following sets forth the treatment diagram of Parkinson’s disease.



Source: *Guidelines for the Diagnosis and Treatment of Parkinson’s Disease in China (4th Edition)*, Frost & Sullivan

As of the Latest Practicable Date, no JAK inhibitor have been approved for the treatment of Parkinson’s disease globally, and TLL-041/BHV-8000 is the only JAK inhibitor in clinical development for Parkinson’s disease globally.

Global Clinical-stage JAK Inhibitors Indicated for Parkinson’s Disease as of the Latest Practicable Date

Manufacturer	Phase	Genetic Name/Code	Target	First Posted Date	Indications
Biohaven	II/III	TLL-041/BHV-8000	TYK2, JAK1	2025-05-16	Parkinson’s Disease

Source: FDA, EMA, Clinical Trial, Frost & Sullivan

INDUSTRY OVERVIEW

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct an analysis of and to prepare a report on the major markets for which our drug candidates are positioned. We agreed to pay Frost & Sullivan a total fee of approximately RMB0.55 million. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries.

The Frost & Sullivan Report was compiled based on the following assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent’s information and views against those of others: (i) secondary research, which involved reviewing published sources including national statistics, annual reports of listed companies, industry reports and data based on Frost & Sullivan’s own research database; and (ii) primary research, which involved in-depth interviews with the industry participants.

Frost & Sullivan’s projections are made based on various market determinants and their coefficients assigned to a market which indicate their relative importance. The market determinants represent both subjective assumptions and objective factors, therefore, the projected data may not be consistent with the real data.

The Directors and Joint Sponsors have exercised reasonable care in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and in ensuring that there is no material omission of the information.

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

This section summarizes the principal PRC laws, rules and regulations that are relevant to our business.

Principal Regulatory Authorities

NMPA and CDE

The National Medical Products Administration (國家藥品監督管理局) (formerly the China Food and Drug Administration (國家食品藥品監督管理總局) (the “CFDA”)) (the “NMPA”) is the department in charge of the pharmaceutical industry of China.

The Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心) (the “CDE”) is the technical evaluation unit for drug registration with the NMPA.

NHC

The National Health Commission (國家衛生健康委員會) (formerly the National Health and Family Planning Commission (國家衛生和計劃生育委員會)) (the “NHC”), is the primary national regulator for public health and family planning management.

NHSA

The National Healthcare Security Administration (國家醫療保障局) (the “NHSA”), a new authority established in May 2018, is directly under the State Council and is responsible for the management of the healthcare security system.

MOFCOM

The Ministry of Commerce of the PRC (中華人民共和國商務部) (the “MOFCOM”) is responsible for the overall guidance and management of foreign investment.

PRINCIPAL REGULATORY PROVISIONS

Laws and Regulations on New Drugs

Research and Development of New Drugs

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the “**Drug Administration Law**”) promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) in September 1984, last amended on August 26, 2019 and effective on December 1, 2019, and the Implementation Regulations of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》) (the “**Implementation Regulations**”) promulgated by the State Council in August 2002 and last amended on January 16, 2026 and became effective on May 15, 2026, have laid down the legal framework for the establishment and maintenance of pharmaceutical manufacturing and trading enterprises, as well as for the administration of pharmaceutical products including the development and manufacturing of new drugs. According to the Drug Administration Law and the Implementation Regulations, the PRC encourages the research and development of new drugs, and protects the legal rights and interests in the research and development of new drugs. The developer and clinical trial applicant of any new drug shall truthfully submit the new drug’s manufacturing method, quality specifications, results of pharmacological and toxicological tests and the related data, documents and samples to the NMPA for approval before any clinical trial is conducted.

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Non-Clinical Research

The Administrative Measures for Good Laboratories Practice (《藥物非臨床研究質量管理規範》 (“GLP”)), promulgated by the CFDA in August 2003 and most recently revised by the CFDA in July 2017 with effect from September 1, 2017, shall be complied with for safety non-clinical evaluation of drugs conducted for the purpose of applying for marketing approval. In April 2007, the CFDA issued the Administrative Measures for Certification of Good Laboratory Practice (《藥物非臨床研究質量管理規範認證管理辦法》), which sets out the requirements for institutions applying for GLP certification. On January 19, 2023, the NMPA revised the Administrative Measures for Certification of Good Laboratory Practice (《藥物非臨床研究質量管理規範認證管理辦法》), which has been in effect since July 1, 2023. The NMPA will approve and issue GLP certificates to the applicants that meet the GLP requirements, and the GLP certificates are valid for 5 years. Any entity without such certification must engage a qualified third party to conduct non-clinical studies regulated under relevant laws and regulations.

Application for Clinical Trial

According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017 and effective on May 1, 2017, the decision on the approval of clinical trials of drugs shall be made by the CDE from May 1, 2017. According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) (the “**Registration Measures**”), which was promulgated on January 22, 2020 and took effect on July 1, 2020, drug clinical trials shall be divided into Phase I clinical trial, Phase II clinical trial, Phase III clinical trial, Phase IV clinical trial, and bioequivalence trial. The CFDA issued the Announcement on Certain Policies Pertaining to the Review and Approval of Drug Registration (《關於藥品註冊審評審批若干政策的公告》) on November 11, 2015, according to which, the drug approval process was further simplified by implementing a one-time approval for INDs of new drugs, and no longer adopting declarations, reviews or approvals at different phases. In accordance with the Registration Measures and the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》) issued in July 2018, if a clinical trial applicant does not receive any negative or questioned opinions from the CDE within 60 days after the date when the trial application is accepted and the fees are paid, the applicant can proceed with the clinical trial in accordance with the trial protocol submitted to the CDE.

After obtaining the approval of clinical trial from the NMPA, the applicant must complete the clinical trial registration at the Drug Clinical Trial Information Platform in accordance with the Circular on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect in September 2013. The applicant shall complete the initial registration of the trial within one month after obtaining the approval of clinical trial to obtain an exclusive trial registration number, and then complete the subsequent information registration before the first patient is enrolled in the trial and submit the registration for public disclosure for the first time.

Conduct of Clinical Trial

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institutions refer to those that have the conditions to conduct clinical trials in accordance with the requirements and technical guidelines set forth in the Regulations for the Administration of Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect on December 1, 2019. Such clinical trial institutions shall be subject to filing requirements, with the exception of institutions that only engage in analysis of biological samples which shall not be subject to such filing requirements. Clinical trials must be conducted in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) promulgated by the NMPA and the NHC on April 23, 2020 and effective on July 1, 2020, which stipulates the requirements for the procedures of conducting clinical trials, including pre-clinical trial preparation, trial protocols, protection of subjects’ rights and interests, duties of researchers, sponsors and monitors, as well as data management and statistical analysis.

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According to the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》), where the application for clinical trial of new investigational drug has been approved, upon the completion of Phases I and II clinical trials and prior to Phase III clinical trial, the applicant shall submit the application for communication meetings to the CDE to discuss with the CDE the key technical issues including the design of Phase III clinical trial protocol. According to the Administrative Measures for Communication on the Research, Development and Technical Evaluation of Drugs (《藥物研發與技術審評溝通交流管理辦法》), promulgated by the CDE on April 1, 2026, during the research and development periods and in the registration applications of, among others, the innovative new drugs, the applicants may propose to conduct communication meetings with the CDE. The communication meetings can be classified into three types. Type I meetings are convened to address key safety issues in clinical trials of drugs and key technical issues in the research and development of breakthrough therapeutic drugs. Type II meetings are held during the key research and development stages of drugs, mainly including meetings before submitting the clinical trial application, meetings upon the completion of Phase II trials and prior to Phase III trials, meetings before submitting the marketing application for a new drug, and meetings for risk evaluation and control. Type III meetings refer to other meetings not classified as Type I or Type II.

International Multi-Centre Clinical Trials

According to the International Multi-Center Clinical Trial Guidelines (Trial) (《國際多中心藥物臨床試驗指南(試行)》), which was issued by the CFDA on January 30, 2015 and became effective on March 1, 2015, the sponsor may conduct clinical trials simultaneously at multiple centres in multiple regions in accordance with the same clinical trial protocol, and may also conduct regional clinical trials simultaneously at multiple centres in different countries within a region in accordance with the same clinical trial protocol. If the sponsor plans to use the data derived from international multi-centre clinical trials for approval of drug registration in China, such international multi-center clinical trials shall comply with the provisions concerning clinical trials in the Registration Measures. When planning and implementing international multi-centre clinical trials in China, the sponsor shall comply with the Drug Administration Law, the Implementation Regulations, the Registration Measures and other related laws and regulations, implement the Good Clinical Practice in China, make reference to Good Clinical Practice (臨床試驗質量管理規範) provided by the International Conference on Harmonization of Technical Requirements for the Registration of Pharmaceuticals for Human Use (人用藥品註冊技術國際協調會議), and meet the legal and regulatory requirements of the corresponding countries.

The NMPA issued the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) on July 6, 2018, according to which, for drugs applied for registration within the PRC, overseas clinical trial data submitted by the applicant may be accepted as the information for clinical evaluation.

New Drug Registration

Pursuant to the Registration Measures, upon completion of clinical trials, determination of quality standards, completion of validation of commercial-scale production processes and completion of other related preparation works, the applicant may apply with the NMPA for the marketing authorization. The applicant must obtain the marketing authorization for a new drug before the drug can be manufactured and sold in the China market. According to the Registration Measures, the holders of any of the following drugs can apply for conditional approval of such drugs: (i) drugs which are used for the treatment of severe life-threatening diseases currently lacking effective treatment and the data of clinical trials can confirm their efficacy and forecast their clinical value; (ii) drugs which are urgently needed for public health and data of clinical trials can demonstrate their efficacy and forecast their clinical value; and (iii) vaccines which are urgently needed to deal with major public health emergencies or other vaccines which the NHC deems to be urgently needed, the benefits of both of which are assessed to be outweigh the risk.

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The Opinion on Strengthening the Reform of the Drug and Medical Device Review and Approval Process to Encourage Drug and Medical Device Innovation (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) (the “**Innovation Opinion**”) established a framework for reforming the evaluation and approval system for drugs, medical devices and equipment.

The Opinions on Encouraging the Priority Review and Approval for Drug Innovations was replaced by the Announcement of the NMPA on Promulgating Three Documents including the Working Procedures for Evaluation of Breakthrough Therapy Designation Drugs (Trial) (《國家藥監局關於發佈〈突破性治療藥物審評工作程序(試行)〉等三個文件的公告》), which was issued and implemented on July 7, 2020, refined the requirements and scope of the fast track.

According to the Announcement on Matters Concerning the Optimization of Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》) jointly issued by the NMPA and the NHC in May 2018, the CDE will prioritize the allocation of resources for review, inspection, examination and approval of registration applications that have been included in the scope of fast track clinical trial approval.

The Registration Measures has incorporated the previous reform in respect of the accelerated approval for clinical trial and drug marketing registration and introduces four procedures for expedited marketing registration of drugs, which are procedures for groundbreaking therapeutic drugs, procedures for conditional approval, procedures for prioritized reviews and approval, and procedures for special examination and approval:

(i) Procedures for ground-breaking therapeutic drugs: during the drug clinical trials, for an innovative drug or improved new drug used for prevention and treatment of life-threatening illnesses or illnesses which have a serious impact on quality of life and for which there is no other effective prevention and treatment method or there is adequate evidence to prove that the said innovative drug or improved new drug has obvious clinical advantages over existing treatment approach, the applicant may request for application of procedures for ground-breaking therapeutic drugs.

(ii) Procedures for conditional approval: during the drug clinical trials, for drugs which fall under the following circumstances, an application for conditional approval of marketing registration may be submitted: (i) for drugs for treatment of life-threatening illnesses for which there is no effective treatment approach, the clinical trial of drugs already has data to prove efficacy and is able to forecast the clinical value; (ii) for drugs urgently needed for public health, the clinical trial of drugs already has data to prove efficacy and is able to forecast the clinical value; and (iii) for other vaccines urgently needed for major public health emergencies or deemed by the NHC to be urgently needed, its benefits outweigh the risks according to the evaluation.

(iii) Procedures for prioritized reviews and approval: at the time of the drug marketing registration, drugs have obvious clinical value may apply for application of procedures for prioritized review and approval, including (i) clinically and urgently needed but insufficient drug, innovative drugs and improved new drugs for prevention and treatment of major contagious diseases and rare diseases; (ii) new pharmaceutical product types, dosage form and specifications of pediatric drugs which comply with pediatric physiological characteristics; (iii) vaccines and innovative vaccines urgently needed for prevention and control of diseases; (iv) drug included in the procedures for groundbreaking therapeutic drug; (v) drug which comply with conditional approval criteria; and (vi) other circumstances of prioritized review stipulated by the NMPA.

(iv) Procedures for special examination and approval: at the time of a threat or occurrence of public health emergency, the NMPA may, in accordance with law, decide to implement special examination and approval for urgently needed drug required for the prevention and treatment during the public health emergency.

Marketing Authorization Holder Mechanism

Pursuant to the Drug Administration Law, China implements the marketing authorization holder mechanism for management of the drug industry. The drug marketing authorization holder refers to an enterprise or a drug research and development institution that has obtained the drug

REGULATORY OVERVIEW

registration certificate. The drug marketing authorization holder shall be responsible for non-clinical research, clinical trials, production and operation, post-marketing research, adverse reaction monitoring, reporting and processing of drugs in accordance with the provisions of the law.

The marketing authorization holders may manufacture drugs by themselves or entrust a pharmaceutical manufacturing enterprise to manufacture drugs. Likewise, they may sell drugs by themselves or entrust a pharmaceutical distribution enterprise to sell drugs. However, marketing authorization holders may not entrust a pharmaceutical manufacturing enterprise to produce blood products, narcotic drugs, psychotropic drugs, medical-use toxic drugs or pharmaceutical precursor chemicals, except as otherwise stipulated by the drug regulatory department under the State Council.

The drug marketing authorization holder shall establish a drug quality assurance system and be equipped with special personnel to take charge of quality management on drugs independently. The drug marketing authorization holder shall regularly review the quality management system of the drug manufacturer and the drug distributor, and supervise its continuous quality assurance and control capabilities.

Where the marketing authorization holder is an overseas enterprise, its designated domestic enterprise shall perform the obligations of the marketing authorization holder and jointly assume responsibilities of the marketing authorization holder with the overseas enterprise.

Pharmacovigilance

According to the Good Pharmacovigilance Practices (《藥物警戒質量管理規範》) which was issued by the NMPA on May 7, 2021 and became effective on December 1, 2021, the drug marketing authorization holder and the drug registration applicant who has been approved to conduct drug clinical trials shall establish a pharmacovigilance system, through the effective operation and maintenance of which, they can monitor, identify, evaluate and control the adverse drug reactions and other drug-related harmful reactions. The drug marketing authorization holder shall formulate pharmacovigilance quality objectives, establish a quality assurance system, and conduct quality management of the pharmacovigilance system and activities, so as to continuously improve the operation efficiency of the pharmacovigilance system and ensure that pharmacovigilance activities continue to comply with the requirements of relevant laws and regulations. The legal representative or the key person-in-charge of the drug marketing authorization holder is fully responsible for the pharmacovigilance activities. The drug marketing authorization holder shall complete information registration in the National Adverse Drug Reaction Monitoring System within 30 days after obtaining the first drug approval document.

Gathering, Collection and Filing of Human Genetic Resources

According to the Service Guide for Administrative Licensing Items concerning Examination and Approval of Sampling, Collecting, Trading or Exporting Human Genetic Resources, or Taking Such Resources out of the PRC (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》), issued by the Ministry of Science and Technology (the “MOST”) in July 2015, and the Circular on Implementing Administrative Licensing for the Examination and Approval of Sampling, Collecting, Trading or Exporting Human Genetic Resources, or Taking Such Resources out of the PRC (《關於實施人類遺傳資源採集、收集、買賣、出口、出境審批行政許可的通知》), issued by the MOST in August 2015, foreign-invested applicants conducting clinical trials to collect or gather human genetic resources must file a record with the China Human Genetic Resources Management Office through the online system. The MOST promulgated the Notice on Optimizing the Administrative Examination and Approval Process of Human Genetic Resources (《關於優化人類遺傳資源行政審批流程的通知》) in October 2017 (effective from December 2017), which has simplified the approval process for the gathering and collection of human genetic resources for the marketing of drugs in China. The MOST issued the Notice on Updating the Service Guidelines, Filing, and Pre-reporting Scope and Procedures for Administrative Licensing Matters Related to Human Genetic Resources (《關於更新人類遺傳資源行政許可事項服務指南、備案以及事先報告範圍和程序的通知》) on July 14, 2023 (effective from July 14, 2023), further refining the approval process for the gathering and collection of human genetic resources required for the marketing of drugs in China.

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Pursuant to the Regulations on the Administration of Human Genetic Resources of the People’s Republic of China (《中華人民共和國人類遺傳資源管理條例》) which was promulgated by the State Council in May 2019, newly amended in March 2024 and came into effect on May 1, 2024, the state supports the rational use of human genetic resources for scientific research, development of the biomedical industry, improvement of diagnosis and treatment technology, improvement of China’s ability to guarantee biosecurity and improvement of the level of people’s health. Foreign organizations, individuals and institutions established or actually controlled by them shall not gather or preserve Chinese genetic resources within the territory of the PRC, or provide Chinese genetic resources to foreign countries. In addition, the gathering, preservation, utilization and external provision of Chinese genetic resources shall (i) conform to ethical principles and conduct ethical review in accordance with relevant regulations; (ii) respect the privacy of the human genetic resource providers, obtain their prior consents, and protect their lawful rights and interests; (iii) comply with technical specification promulgated by the competent healthcare authorities the State Council.

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the “**Biosecurity Law**”) was promulgated by SCNPC on October 17, 2020, and was last amended and became effective on April 26, 2024. The Biosecurity Law establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants, research, development, and application of biology technology, biosecurity management of pathogenic microbial laboratories, security management of human genetic resources and biological resources, countermeasures for microbial resistance, and prevention of bioterrorism and defending threats of biological weapons. According to the Biosecurity Law, the research and development activities of high-risk and medium-risk biotechnology shall be carried out by a legal person organization established within the territory of the PRC in accordance with the law, upon obtaining the approval or record-filing. The establishment of a pathogenic microorganism laboratory shall be subject to approval or record-filing requirements in accordance with the law. In addition, (i) collecting human genetic resources of important genetic families or specific areas in the PRC, or collecting human genetic resources of which the types and quantities are subject to provisions of the competent health department under the State Council, (ii) preserving China’s human genetic resources, (iii) using China’s human genetic resources to carry out international scientific research cooperation, or (iv) transporting, mailing, and carrying China’s human genetic resource materials out of the country, are subject to the approval by the competent healthcare authority.

The MOST promulgated the Implementing Rules of the Regulations on the Administration of Human Genetic Resources (《人類遺傳資源管理條例實施細則》) (the “**Implementing Rules**”) on May 26, 2023, which came into effect on July 1, 2023. The Implementing Rules further provide detailed implementation provisions for the management of human genetic resources in China, including the following:

(a) clarifying the scope of human genetic resource information, which shall include information resources generated from human genetic resource materials (such as human genes and genome data) and exclude clinical data, image data, protein data and metabolic data;

(b) clarifying the criteria to constitute a foreign organization, which shall include (i) any foreign organization or individual that holds directly or indirectly more than 50% of the shares, equity interests, voting rights, property shares or other interests in the institution, (ii) any foreign organization or individual that is able to dominate or have material effect on the decision-making or management of the institution through its voting right or other interests, although the shares, equity interests, voting rights, property share or other interests it directly or indirectly holds in the institution is less than 50%, (iii) any foreign organization or individual that is able to dominate or have material effect on the decision-making or management of the institution through investment relationship, contract or other arrangement; and (iv) other situations stipulated by laws, regulations and rules;

(c) listing the situations where security review may be required, which shall include: (i) human genetic resource information of important genetic families; (ii) human genetic resources information of specific regions, (iii) exome sequencing and genome sequencing information resources with a population greater than 500 cases; and (iv) other situation that may affect the public health, national security and social public interest of the PRC.

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Administrative Protection and Monitoring Periods for New Drugs

According to the Implementation Regulations and the Reform Plan for Registration Category of Chemical Drugs (《化學藥品註冊分類改革工作方案》) issued on March 4, 2016, the NMPA may, for the purpose of protecting public health, provide for an administrative monitoring period of five years for new Category 1 drugs approved to be manufactured, commencing from the date of approval, to continually monitor the safety of those new drugs. During the monitoring period of a new drug, the NMPA will not approve any other enterprises’ applications to manufacture or import the said drug.

Laws and Regulations on the Manufacturing of Drugs

Drug Manufacturing License

Pursuant to the Drug Administration Law, the state adopts an industry entry permit system for drug manufacturers. The conduct of drug manufacturing activities shall be approved and granted with a Drug Manufacturing License (《藥品生產許可證》) by the drug regulatory authority of the people’s government at provincial, autonomous regional or municipal level. The Drug Manufacturing License shall indicate the validity period and the scope of production, and shall be reviewed for renewing upon expiration.

The Good Manufacturing Practices

The Good Manufacturing Practices (《藥品生產質量管理規範》), which was promulgated by the Ministry of Health of the PRC (the “MOH”, now known as the NHC) in March 1988, newly amended in January 2011 and came into effect in March 1, 2011, provides guidance for the quality management, organization and staffing, production premises and facilities, equipment, material and products, recognition and inspection, documentation maintenance, manufacture management, quality control and quality assurance, contractual manufacture and contractual inspection for the products, product delivery and recalls of a drug manufacturer in a systematical manner.

Prior to December 1, 2019, establishment of a new drug manufacturer, construction of new production premise for a drug manufacturer or production of new dosage form are required to submit application for good manufacturing practice certification (GMP certification) with the drug regulatory authority in accordance with relevant provisions. If the Good Manufacturing Practices are satisfied, a GMP certificate will be issued. Pursuant to the Announcement on the Relevant Issues Concerning the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》), promulgated by the NMPA on November 29, 2019, and the Drug Administration Law, the GMP and Good Supply Practice (GSP) certifications have been cancelled, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates are no longer issued. When engaging in drug manufacturing activities, a manufacturer shall comply with the GMP and establish a sound GMP management system, to ensure that the entire process of drug manufacturing maintain to meet the statutory requirements, and meet the GMP requirements enacted by the NMPA in accordance with the law. The legal representative and the key person-in-charge of a drug manufacturer are fully responsible for the drug manufacturing activities of the enterprise.

The Administrative Measures for the Inspection of Pharmaceuticals (Trial) (《藥品檢查管理辦法(試行)》) was promulgated by the NMPA on May 24, 2021 and amended on July 19, 2023, and the Certification Measures for Good Manufacturing Practice for Drugs was repealed simultaneously. The Administrative Measures for the Inspection of Pharmaceuticals (Trial) stipulates that if a drug manufacturer applies for a drug manufacturing license for the first time, it will be subject to on-site inspection under relevant contents of the GMP. If a drug manufacturer applies for re-issuance of drug manufacturing license, relevant authorities shall conduct examination pursuant to risk management principle, taking into account the enterprise’s compliance with pharmaceutical administration laws and regulations, operation status of GMP and quality system, and may conduct GMP compliance inspection where necessary.

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Entrusted Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Entrusted Manufacturing of Drugs (《藥品委託生產監督管理規定》) issued by the CFDA in August 2014, only when a drug manufacturer temporarily lacks manufacturing conditions due to technology upgrade or is unable to ensure market supply due to insufficient manufacturing capabilities can such drug manufacturer entrust the manufacturing of the drug to another drug manufacturer. Such entrusted manufacturing arrangements shall be approved by the provincial branch of the NMPA.

The Administrative Measures on Supervision of Drug Manufacturing (《藥品生產監督管理辦法》) promulgated by the State Administration for Market Regulation (the “SAMR”) on January 22, 2020 and effective on July 1, 2020 further implements the drug marketing authorization holder system as stipulated in the Drug Administration Law. Drug marketing authorization holders entrusting others to manufacture drugs shall enter into entrustment agreements and quality agreements with qualified drug manufacturing enterprises and submit the relevant agreements together with the actual manufacturing site application materials to the competent drug administrative authority in order to apply for the Drug Manufacturing License. The drug marketing authorization holder shall follow the Guidelines for the Quality Agreements of Entrusted Manufacturing of Drugs (《藥品委託生產質量協議指南》) formulated by the NMPA to supervise the entrusted party to fulfill the obligations agreed upon in the agreement. The entrusted party shall not re-entrust a third party to manufacture the drugs for which it has accepted the manufacturing entrustment. A drug marketing authorization holder shall establish a drug quality assurance system which shall be independently managed by professionals for the quality control of drugs. A drug marketing authorization holder shall regularly examine the quality management system of drug producers and drug trading companies entrusted by it to ensure that they remain capable in quality assurance and control.

The legal representative and the key person-in-charge of a drug marketing authorization holder shall be fully responsible for the quality of drugs, while the legal representative and the key person-in-charge of a drug manufacturer shall be fully responsible for the manufacturing activities of its own. The drug marketing authorization holder and drug manufacturers shall establish and implement a drug traceability system, assign traceability labels to sales packaging of their drugs in accordance with regulations, implement drug traceability through information-based means, record and keep drug traceability data in a timely manner, and provide traceability information to the drug traceability collaborative service platform.

REGULATIONS RELATING TO MEDICAL INDUSTRY

Pharmaceutical Representatives

The Measures for the Administration of Pharmaceutical Representatives (《醫藥代表管理辦法》), formulated and issued jointly by the NHC, the NHSA and other competent authorities, shall come into full effect on August 1, 2026. It defines medical representatives, specify their eligibility and filing requirements, and regulate industry conduct. It imposes primary and overall accountability on marketing authorization holders via mandatory filing and stringent rules, requiring them to fully oversee the recruitment, authorization, registration and ongoing management of pharmaceutical representatives.

Basic Medical Insurance Policy

Pursuant to the Decision on the Establishment of the Urban Employee Basic Medical Insurance Programme (《關於建立城鎮職工基本醫療保險制度的決定》) promulgated by the State Council on December 14, 1998 and the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》) which was promulgated by the NDRC, the CFDA and other authorities, and came into effect on May 12, 1999, all employers in cities and towns, including enterprises (state-owned enterprises, collective enterprises, foreign-invested enterprises, private enterprises, etc.), institutions, public institutions, social organizations, private non-enterprise units and their employees are required to participate in basic medical insurance. Pursuant to the Guiding Opinions on the Pilot of Basic Medical Insurance for Urban Residents (《關於開展城鎮居民基本醫療保險試點的指導意見》) promulgated by the State Council on July 10, 2007, urban residents

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(not urban employees) in the pilot areas can voluntarily participate in the basic medical insurance for urban residents. Pursuant to the Opinions of the State Council on the Integration of the Basic Medical Insurance System for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) promulgated by the State Council on January 3, 2016, a unified basic medical insurance system for urban and rural residents was established, including the existing urban residents’ medical insurance and all the insured personnel of New Rural Cooperative Medical System, covering all urban and rural residents except those who should be covered by the employee’s basic medical insurance.

Medical Insurance Catalogue

Pursuant to the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》), the scope of medical insurance coverage for pharmaceutical products needs to be managed through the formulation of the Medical Insurance Catalogue. A pharmaceutical product listed in the Medical Insurance Catalogue must be clinically needed, safe, effective, reasonably priced, easy to use, available in sufficient quantity, and must meet the following requirements: it is set forth in the Pharmacopoeia of the PRC (current edition) (《中華人民共和國藥典》(現行版)); it meets the standards promulgated by the NMPA; and if imported, it is approved by the NMPA for import. According to the Opinions of the NHSA and the Ministry of Finance on Establishing a List-Based System for Healthcare Security Benefits (《國家醫保局、財政部關於建立醫療保障待遇清單制度的意見》), which came into effect in January 2021, all provinces shall implement the NRDL in a strict manner, and shall not have the discretion to formulate the catalogue or increase the drugs in any form, or adjust the limited payment scope of drugs in the catalogue. After several adjustments, the currently effective medical insurance catalogue is the National Insurance Drug List for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (2024) (《國家基本醫療保險、工傷保險和生育保險藥品目錄(2024年)》) which came into effect since January 1, 2025.

National Essential Drug List

On January 27, 2026, the NHC and ten other ministries and commissions jointly issued the Administrative Measures for the National Essential Medicine List (《國家基本藥物目錄管理辦法》). The State implements the essential drugs system and selects an appropriate number of essential drug varieties to meet the basic medication needs for disease prevention and treatment. Essential drugs refer to drugs that meet the basic medication needs for disease prevention and treatment, are suitable for the current stage of national conditions and support capacity, have appropriate dosage forms, reasonable prices, guaranteed supply and equitable accessibility. The State publishes the National Essential Medicine List and dynamically adjusts the list based on clinical application practices, changes in drug standards and the launch of new drugs. The selection and adjustment of essential drugs adhere to the principles of equal emphasis on traditional Chinese medicine and Western medicine, combined use of Chinese and Western medicines, and clinical priority, with reasonable reference to international experience. National essential drugs include chemical drugs and biological products, as well as traditional Chinese medicines (including prepared slices of Chinese medicinal materials and Chinese patent medicines).

Laws and Regulations on Intellectual Properties

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and became effective on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the “**Implementation Rules**”), which was promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023 and became effective on January 20, 2024. The Patent Law and the Implementation Rules provide for three types of patents, “invention”, “utility model” and “design.” “Invention” refers to any new technical solution relating to a product, a process or improvement thereof; “utility model” refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and “design” refers to any new design of the shape, pattern, color or

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the combination of any two of them, of a product, which creates an aesthetic feeling and is suitable for industrial application. The duration of a patent right for “invention” is twenty (20) years, the duration of a patent right for “utility model” is ten (10) years, and the duration of a patent right for “design” is fifteen (15) years, from the date of application. According to the Patent Law of the PRC, for the purpose of public health, the patent administrative department of the State Council may grant mandatory licensing to manufacture and export patented drugs to countries or regions in comply with provisions of the relevant international treaty participated by the PRC.

The newly amended Patent Law of the PRC introduces patent extension compensation to patents of new drugs that launched in the PRC, and stipulates that the Patent Administration Department under the State Council shall, upon request of the patentee, extend the patent term of relevant invention patents of the new drug that is approved to be listed on the market in China, to compensate for the time spent for the review and examination and approval of the listing of a new drug on the market. The compensated extension shall not exceed five (5) years, and the total valid patent term after the new drug is approved for the market shall not exceed fourteen (14) years. Such newly adopted patent term extension rule benefits the Company through providing longer protection terms of patents applied or registered in the PRC and related to our products. During the period of patent term compensation for a patent for invention related to a new drug, the scope of protection of the patent is limited to the new drug and its approved indications related to the technical program; within the scope of protection, the patentee enjoys the same rights and undertakes the same obligations as before the patent term compensation.

Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were promulgated by the State Council on August 3, 2002 and latest amended on April 29, 2014 and came into effect on May 1, 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks. A trademark registrant shall make an application for renewal within twelve (12) months before the expiration in accordance with the requirements. If such an application cannot be filed within that period, an extension period of six months may be granted. The period of validity for each renewal of registration shall be ten (10) years as of the next day of the previous period of validity. If the formalities for renewal have not been handled upon expiration of period of validity, the registered trademarks will be deregistered.

Domain Names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as amended on June 27, 2025 and became effective on October 15, 2025, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others’ trade secrets by: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right

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holder by any means as specified in the item (i) above; (iii) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (iv) abetting a person, or tempting or helping another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Laws and Regulations on Foreign Direct Investment

Since January 1, 2020, the Foreign Investment Law of the PRC (the “**Foreign Investment Law**”) issued by the National People’s Congress (the “NPC”) of the PRC became effective, superseding the Law of the PRC on Chinese-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the PRC on Foreign-Capital Enterprises (《中華人民共和國外資企業法》), and the Law of the PRC on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》). Since then, the Foreign Investment Law becomes the fundamental law to regulate the foreign-capital enterprises invested wholly or partially by foreign investors. The nature, organization and rules of foreign-invested enterprises are subject to the Company Law and other PRC laws. Chinese government implements a pre-entry national treatment with negative list management system for foreign investment, abolishing the previous approval and registration management system for the establishment and changes of foreign-invested enterprises. Pre-entry National Treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. Foreign investments out of negative list would enjoy national treatment. Current negative list is the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) published by the NDRC and the MOFCOM on September 6, 2024 and effective from November 1, 2024, listing the equity requirements, executive requirements and other special administrative measures on foreign investment access in the industries governed by the negative list.

Foreign investment information reporting is subject to the Measures for Reporting of Foreign Investment Information (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the SAMR, effective from January 1, 2020, under which, the MOFCOM is responsible for governing and directing nationwide reporting of foreign investment information. The commercial authority in county or above level people’s government, or relevant authority in free-trade pilot zone or national level economic and technological development zone is responsible for local reporting of foreign investment information within its own jurisdiction. A foreign investor directly or indirectly investing in China shall report its investing information through corporate registration system and national enterprise credit information publicity system to local commercial authority, in the form of initial report, change report, de-registration report, annual report etc. A foreign investor who sets up a foreign-invested enterprise in China or who mergers or acquires the equities of a non-foreign enterprise in China shall submit initial report through corporate registration system at the time of establishing said foreign-invested enterprise or at the time of change registration of said merged/acquired enterprise. If the change in the information of initial reports involves corporate change registration (filing), then the foreign-invested enterprise shall submit change report through corporate registration system at the time of corporate change registration (filing). If the change of information doesn’t involve corporate change registration (filing), then the foreign-invested enterprise shall submit change report through corporate registration system. A foreign-invested listed company may report the information on change of investors and their shares, only when the cumulative shareholding of foreign investors exceeds 5% or their controlling or relatively controlling position changes.

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Regulations on Foreign Investment Security Review

The Foreign Investment Security Review Measures (《外商投資安全審查辦法》) jointly published by the NDRC and the MOFCOM on December 19, 2020, effective from January 18, 2021, provide for the security review mechanism on foreign investment, including the types of investments subject to review, review scopes, and procedures, among others.

Laws and Regulations on Overseas Investment

Under the Measures for Overseas Investment Management (《境外投資管理辦法》) published by the MOFCOM on March 16, 2009 and revised on September 6, 2014 and the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》) published by the NDRC on December 26, 2017 and effective from March 1, 2018, a Chinese enterprise (the “**investor**”) contemplating overseas investment (the “**project**”) shall perform project approval, filing and other procedures, report relevant information, and coordinate with supervision and examination. The sensitive project invested directly by the investor or through its controlled overseas enterprise shall be approved. The non-sensitive project directly invested by the investor, that is, the non-sensitive project involving the investor’s directly investing assets, equities or financing or guarantee shall be filed.

Regulations on Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”) published by the SCNPC on February 22, 1993 and last amended on December 29, 2018, which is a major law on product quality supervision and management, under which, a producer shall be liable for the quality of its product. A seller shall take measures to maintain the quality of product it sells. The producer shall be liable for compensation, if its product has defects causing damages to natural persons or properties other than the defective product. In any of the following circumstances, the producer shall not be liable for compensation: (1) the product is not put in circulation; (2) the damage is not yet triggered by the defects when the product is put in circulation; or (3) the defects is unidentifiable by existing level of science and technology when the product is put in circulation. The seller shall be liable for compensation, if (1) the product is defective at the fault of seller, causing personal harm or property damage or (2) the seller fails to specify the producer and the supplier of such defective product. If a defective product causes personal harm and property damage, then the affected person may claim compensation from the producer or the seller of the said product.

Under the Civil Code of the PRC (《中華人民共和國民法典》) published by the NPC on May 28, 2020 and effective from January 1, 2021, if a defective medicine harms a patient, then the affected patient may claim compensation from the marketing authorization holder or producer of the medicine, or from the medical center. If the affected patient claims compensation from the medical center, then after compensation, the medical center may seek recourse from the marketing authorization holder or producer of the said medicine.

The Consumer Rights Protection Law of the PRC (《中華人民共和國消費者權益保護法》) published on October 31, 1993, last amended on October 25, 2013 and effective from March 15, 2014 aims to protect consumers’ rights when they are buying, using goods or taking services. An operator who provides consumers with goods it produces or sells and/or renders services shall obey this law.

Regulations on Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》) published by the SCNPC on June 29, 2002, last amended on June 10, 2021 and effective from September 1, 2021 is a fundamental law to regulate production safety, under which, an entity failing to meet the conditions for production safety shall not be engaged in production. A producer shall educate or

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train its workers on production safety, to ensure its workers are aware of necessary knowledge about production safety, familiar with production safety related regulations and safety operating procedures, master the safety operating skills on job, understand emergency response measures and know their rights and obligations in production safety.

Regulations on Environmental Protection and Fire Safety

Under the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) published by the SCNPC on December 26, 1989, last amended on April 24, 2014 and effective from January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) published by the SCNPC on October 28, 2002 and last amended on December 29, 2018, and the Regulations on Environmental Protection Management for Construction Projects (《建設項目環境保護管理條例》) published by the State Council on November 29, 1998, last amended on July 16, 2017 and effective from October 1, 2017, an enterprise planning for construction project shall appoint eligible professionals to provide the environmental impact report, environmental impact assessment form, or environmental impact register relating to the project. The environmental impact report, environmental impact assessment form, or environmental impact register shall be filed to or approved by relevant environmental authority before commencement of any construction project.

An enterprise engaged in industry, building, catering, medical and other activities discharging wastewater to urban drainage facilities shall lawfully apply for wastewater discharge permit to local urban drainage authority, according to the Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》) published on October 2, 2013 and effective from January 1, 2014, and the Measures for Administration of the Permit for Discharging Urban Sewage into Drainage Pipelines (《城鎮污水排入排水管網許可管理辦法》) published on January 22, 2015, last amended on December 1, 2022 and effective from February 1, 2023. The discharging entities covered by the urban drainage facilities shall lawfully discharge wastewater into urban drainage facilities. To do so, the discharging entities shall apply for drainage permit accordingly, and those failing to obtain such permit shall not discharge wastewater into urban drainage facilities.

Under the Regulations on Administration of Pollutant Discharge Permits (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment on April 1, 2024 and effective from July 1, 2024, corporate, public entities and other producers subject to discharge permit administration shall apply for discharge permit and discharge pollutants according to the permit; those failing to obtain the permit shall not discharge pollutants. According to the Catalogue of Classified Management of Discharge Permits for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of biological pharmaceuticals falls in the scope of classified management of discharge permits for stationary pollution sources.

Under the Fire Protection Law of the PRC (《中華人民共和國消防法》) published by the SCNPC in April 1998, last amended on and effective from April 29, 2021, and the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) (the “**Interim Provisions**”) published by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and last amended on August 21, 2023, the fire protection design and construction of construction projects shall comply with the national technical standards for fire protection in construction, and implement the fire protection design review and acceptance system for construction projects. If a construction project is put in use without fire safety inspection, or it fails to meet the fire safety requirements, then the project will be ordered to stop construction, stop use or stop operation, and be fined.

Laws and Regulations on Hazardous Chemicals

The Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) (the “**Hazardous Chemicals Regulations**”) published by the State Council on January 26, 2002 and last amended on December 7, 2013, which imposes regulatory requirements on the production safety, storage, use, operation and transportation of hazardous chemicals. An enterprise

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that has lawfully obtained the hazardous chemicals safety production permit, hazardous chemicals safety use permit, and hazardous chemicals operation permit may purchase highly toxic chemicals and explosive precursors with such permits. A manufacturer of civilian explosives who holds a civilian explosive production permit may purchase explosive precursors. An entity other than the above enterprises, which intends to purchase highly toxic chemicals, shall apply for highly toxic chemicals purchase permit to the local public security authority at the county level; to purchase explosive precursors, the entity shall hold the explanation as to the legitimate use of the chemicals issued by the entity.

Under the Regulations on Drug Precursors Management (《易製毒化學品管理條例》) published by the State Council on August 26, 2005, effective from November 1, 2005, revised respectively on July 29, 2014, February 6, 2016 and September 18, 2018, China regulates the production, operation, purchase, transportation, import and export of drug precursors. There are 3 kinds of drug precursors. The first kind is major raw materials that can be used for drug production. The second kind and the third kind are chemical agents that can be used for drug production. An enterprise applying for buying the first kind of drug precursors shall submit relevant certificates, subject to approval by local provincial, regional, or municipal drug authority, and obtain the purchase permit. An entity intending to buy the second kind and/or the third kind of drug precursors shall file the types and quantities of required drug precursors to the local public security authority at the county level before purchase.

Under the Measures for the Public Security Management of Explosives Precursors (《易製爆危險化學品治安管理办法》) published by the Ministry of Public Security on July 6, 2019 and effective from August 10, 2019, an enterprise that has lawfully obtained the hazardous chemicals safety production permit, hazardous chemicals safety use permit, and hazardous chemicals operation permit may purchase explosive precursors with such permits. The purchaser of explosive precursors shall file the types, quantities and flow information of purchased explosive precursors to the local public security authority at the county level, within 5 days after purchase.

Regulations on Occupational Diseases Prevention and Treatment

The Law of the PRC on Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》) (the “**Occupational Diseases Law**”) published by the SCNPC on October 27, 2001 and last amended on December 29, 2018 is a fundamental law on the prevention and treatment of occupational diseases, under which, the cost of occupational diseases prevention facilities in the construction project shall be included in the budget of construction project, and designed, constructed and put in production at the same time with main works. Before acceptance upon completion, the constructing entity shall evaluate the results of occupational diseases control. In addition, the employer shall take required management measures to prevent occupational diseases during work.

Regulations on Employment and Social Security

Under the Labour Law of the PRC (《中華人民共和國勞動法》) published by the SCNPC on July 5, 1994 and last amended on December 29, 2018, and the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) published by the SCNPC on June 29, 2007, last amended on December 28, 2012 and effective from July 1, 2013, an employer shall sign a labour contract in writing with full time workers. The employer shall perform the local minimum salary standards. The employer shall establish a sound management system, protect workers’ rights, *inter alia*, establish occupational health safety system, and provide professional training for workers to prevent occupational hazards. When the employer is recruiting workers, it shall truthfully tell workers the job content, job conditions, job place, occupational hazards, production safety conditions, labour compensation and other conditions.

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Under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) published on October 28, 2010 and revised on December 29, 2018, an employer shall contribute to social insurance funds for its workers, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to timely contribute to social insurance funds in full, then the social insurance funds collector shall order it to contribute or replenish by deadline, and charge overdue penalty at the rate of 0.05% per day overdue from the date of failure; if the employer fails to contribute by the deadline, then relevant administrative authority shall charge a penalty as 1 to 3 times the amount of underpayment.

Under the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》) published on April 3, 1999 and last amended on March 24, 2019, an entity shall contribute to workers’ housing provident fund. If the entity doesn’t contribute to the housing provident fund in full or at all, then the housing provident fund management center shall order the entity to contribute by deadline; if the entity fails to contribute by the deadline, then the management center may apply to the people’s court for enforcement.

On July 31, 2025, the Supreme People’s Court promulgated the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “Judicial Interpretation (II)”), which took effect on September 1, 2025. Article 19(1) of the Juridical Interpretation (II) stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, the relevant employee has the right to terminate the labor contract and claim economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law. During the Track Record Period and as of the Latest Practicable Date, we did not sign any written documents with any of our employees pursuant to which the employee undertakes that their social insurance premiums need not be paid, and we have made social insurance contributions for all of our employees as required under applicable laws and regulations. As advised by our PRC Legal Advisor, the risk that we will be subject to the payment of material compensation for not making social insurance contributions under the Judicial Interpretation (II) is remote, according to the currently applicable regulatory policies.

Regulations on Information Security and Data Privacy

Data Security and Export

The Data Security Law of the PRC (《中華人民共和國數據安全法》) published by the SCNPC on June 10, 2021 and effective from September 1, 2021 has set up the data classification-based and hierarchical protection system to protect data with categorization and classification. A data operating organization shall, in accordance with laws and regulations, establish a sound full-process data security management system, take data security education and training, take corresponding technical measures and other necessary measures, to protect data security.

Under the Measures for the Security Assessment of Data Export (《數據出境安全評估辦法》) issued by the Cyberspace Administration of China on July 7, 2022 and effective from September 1, 2022, a data processor who provides data to overseas shall apply for data export security assessment through the local cybersecurity authority at the provincial level to national cybersecurity authority, in any of the following circumstances: (i) data processor provides important data to overseas; (ii) key information infrastructure operator or data processor handling over 1 million persons’ information provides important data to overseas, or key information infrastructure operator or personal information processor handling over 1 million persons’ information provides personal information to overseas; or personal information processor provides personal information to overseas, who cumulatively provides over 100,000 persons’ information or over 10,000 persons’ sensitive information to overseas since the 1 January of previous year.

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Personal Privacy Protection

Under the Civil Code, a natural person’s personal information is protected by laws. Any organization or individual person wanting other individual’s personal information shall obtain it lawfully and ensure information security, shall not illegally collect, use, process or transmit other’s personal information, and shall not illegally trade, offer or publicize other’s personal information. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) published by the SCNPC on August 20, 2021 and effective from November 1, 2021 further stresses on the processor’s obligation and responsibility for protecting personal information, and requires higher level of protection in the processing of sensitive personal information.

Under the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) published by the SCNPC on November 7, 2016 and effective from June 1, 2017, a cyber operator who collects, uses personal information shall abide by the principles of legality, fairness and necessity, publish the rules of collecting and using information, specify the purpose, manner and scope of using information, and obtain the consent of subjects.

Laws and Regulations on Anti-Money Laundering, Anti-corruption and Anti-bribery

Laws and Regulations on Anti-Money Laundering

Under the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》) published by the SCNPC on November 8, 2024 and effective from January 1, 2025, a financial institution shall lawfully establish and improve the internal control system for combating money laundering, set up a special body or designate an internal body to lead the anti-money laundering efforts; an entity or person having business relationship with a financial institution shall cooperatively take the customer due diligence (CDD) investigation with the financial institution, provide true and valid identity certificate or other ID documents, fill out accurate and complete ID information, and truthfully offer the information on transaction and fund.

Laws and Regulations on Anti-corruption

Under the Criminal Law of the PRC (《中華人民共和國刑法》), as last amended by the SCNPC on December 29, 2023, the crime of duty embezzlement is the misappropriation of a firm’s property by an employee of such firm by taking advantage of his/her position, if the amount of embezzlement is large, then the embezzler shall be subject to a fixed sentence of up to 3 years or a detention, with penalty; if the amount is significant, the embezzler shall be subject to a fixed sentence of 3-10 years, with penalty; if the amount is huge, the embezzler shall be subject to a fixed sentence of over 10 years or even a life sentence, with penalty.

Laws and Regulations on Anti-bribery

Under the Law against Unfair Competition of the PRC (《中華人民共和國反不正當競爭法》) published by the SCNPC (as amended on and effective from October 15, 2025 and the Interim Provisions on Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) published by the State Administration for Industry and Commerce on November 15, 1996, any operator shall not pay or undertake to pay economic benefits (i.e. cash, other property or by other means) to the counterparty or a third party that may influence the transaction, inducing it to seek trading chance or competitive edge for the operator. An operator who breaks the foregoing anti-bribery provisions shall be subject to administrative punishment or criminal liability depending on the severity.

Under the Provisions on the Establishment of Commercial Bribery Blacklist in the Pharmaceutical Purchase and Sales Industries (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》) published by the National Health and Family Planning Commission (now the National Health Commission), and effective from March 1, 2014, a pharmaceutical manufacturer/operator and its agent involved in criminal, investigative, or administrative proceedings related to commercial

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bribery will be included by relevant governmental authority in the blacklist of commercial bribery, with the consequences: within 2 years from the publication of the commercial bribery blacklist, (i) public medical institutions or medical and health institutions receiving financial subsidies within relevant provincial jurisdiction shall not purchase its products, and (ii) other public medical institutions or medical and health institutions receiving financial subsidies within relevant provincial jurisdiction shall underrate its product during the centralized tendering process. If such firm or its agent is blacklisted twice within 5 years, then all public medical institutions or medical and health institutions receiving financial subsidies across China shall not purchase its product within 2 years from the blacklisting.

Regulations on Taxation

Corporate Income Tax (“VAT”)

Under the Corporate Income Tax Law (《企業所得稅法》) published by the SCNPC and last amended on December 29, 2018 and the Regulations on the Implementation of Corporate Income Tax Law (《企業所得稅法實施條例》) published by the State Council and last amended in January 2025, either foreign-invested enterprises or domestic enterprises shall be subject to corporate income tax at the rate of 25% uniformly, except for special industries or projects subject to tax preferences. Qualified small low-profit enterprises shall be subject to corporate income tax at a lower rate of 20%. Government-supported key high-new technology enterprises may be subject to corporate income tax at a lower rate of 15%.

Value-added Tax

Under the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) published by the State Council and last amended on November 19, 2017 and the Implementing Rules of the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) published by the MOF, last amended on October 28, 2011 and effective from November 1, 2011, every entity or person selling goods, providing the services of processing, repair and maintenance or importing goods in the territory of China is VAT payer.

Under the Notice from the MOF and the SAT on Adjusting the Value-Added Tax Rate (《財政部 稅務總局關於調整增值稅稅率的通知》) effective from May 2018, the VAT rate for selling and importing goods is adjusted from 17% and 11% to 16% and 10% respectively.

Under the Announcement by the MOF, the SAT and the General Administration of Customs (GACC) on Policies Related to Deepening Value-Added Tax Reform (《財政部 稅務總局 海關總署關於深化增值稅改革有關政策的公告》) published jointly by the MOF, the SAT and the GACC on March 20, 2019 and effective from April 1, 2019, the VAT rate of selling and importing goods is adjusted from 16% and 10% to 13% and 9% respectively.

Regulations on Foreign Exchange

Forex Regulations

The State Council published the Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) on January 29, 1996, effective from April 1, 1996, revised on January 14, 1997 and August 5, 2008 respectively. Foreign exchange payments under current account shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in settlement and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

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Under the Notice on the Relevant Issues of Foreign Exchange Administration for Overseas Listings (《關於境外上市外匯管理有關問題的通知》) published by the SAFE on December 26, 2014, a Chinese company listed overseas should register such overseas listing with local forex authority of the place where it's registered, within 15 working days from the completion of overseas listing. The funds raised from overseas listing of a Chinese company might be repatriated to China or deposited overseas, while the application of funds should be consistent with the document and other public disclosures.

Regulations on Domestic Enterprises' Overseas Issuance and Listing of Securities

CSRC Requirements for the Filing of Overseas Issuance and Listing

Under the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures for Overseas Listing**”) published by the CSRC on February 17, 2023 and effective from March 31, 2023, in case of overseas issuance and listing of a domestic enterprise, the issuer shall file with the CSRC according to the Trial Measures for Overseas Listing. In case of overseas initial public offering or listing, the issuer shall file with the CSRC within three (3) working days after overseas submission of IPO application.

Overseas Listing Confidentiality and Archiving

Under the Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) published jointly by the CSRC and other departments on February 24, 2023 and effective from March 31, 2023, during the overseas listing of a domestic enterprise, the domestic enterprise and the securities company or securities service provider shall strictly comply with the PRC laws and regulations and these provisions, enhance their legal sense of national confidentiality and strengthening archives administration, establish and improve the confidentiality and archiving system, take necessary measures to perform confidentiality and archiving responsibilities, shall not disclose national secrets or national authority secrets, and shall not harm national and public interests. During the process of domestic enterprises conducting offering and listing overseas, if documents or data involving state secrets or adversely affecting national security or the public interest need to be provided or publicly disclosed to relevant securities companies, securities service agencies, overseas regulatory authorities and other units and individuals, the relevant approval/filing and other regulatory procedures shall be completed.

Full Circulation of H Shares

“Full Circulation” means domestic unlisted shares of a H-share listed company are listed and circulated on the Hong Kong Stock Exchange. The CSRC published the Guidelines on Applying for Full Circulation of Unlisted Domestic Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (the “**Full Circulation Guidelines**”) on November 14, 2019, which was partially revised on August 10, 2023 under the Decision of the CSRC on the Amendment and Repeal of Certain Securities and Futures Regulatory Documents (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》). For a domestic enterprise seeking direct overseas listing, shareholders holding such enterprise's domestic unlisted shares who apply for the conversion of its domestic unlisted shares into overseas listed shares shall comply with the relevant provisions of the CSRC and entrust such domestic enterprise to file with the CSRC.

Upon filing of full circulation with the CSRC, the H-share listed company shall report to the CSRC within 15 days after transfer registration of involved shares with China Securities Depository and Clearing Corporation Limited (“CSDCC”).

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OVERVIEW OF LAWS AND REGULATIONS IN THE UNITED STATES

This section summarizes the principal laws and regulations in the United States that are relevant to our business.

U.S. Government Regulation of Drug and Biological Products

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act (the “FDCA”) and its implementing regulations, and biologics under both the FDCA and the Public Health Service Act (the “PHSA”) as well as their respective implementing regulations. Both drugs and biologics are also subject to other federal, state and local statutes and regulations, such as those related to competition. The process of obtaining regulatory approvals and subsequent compliance with appropriate federal, state, and local statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with applicable U.S. requirements at any time, whether during the product development process, the approval process, or after approval, may subject an applicant to administrative actions or judicial sanctions. These actions and sanctions could include, among other actions, the FDA’s refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, untitled or warning letters, voluntary or mandatory product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement and civil or criminal fines or penalties.

Once a product candidate is identified for development, it enters preclinical testing, which includes laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. Preclinical testing is conducted in accordance with the FDA’s Good Laboratory Practice regulations. A sponsor of an IND must submit the results of the preclinical tests, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. The FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance.

All clinical trials that involve the administration of an investigational product to humans must be conducted under the supervision of one or more qualified investigators in accordance with Good Clinical Practice regulations. This includes the requirement that all research subjects provide informed consent in writing before participating in any clinical trial. Furthermore, an Institutional Review Board (the “IRB”) must review and approve any clinical trial protocol before the trial commences at any institution, and the IRB must conduct continuing review and grant re-approval at least annually. Each new clinical protocol and any amendments thereto must be submitted to the FDA for review, and to the IRB for approval. An IRB may suspend or terminate its approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB’s requirements or if the product is associated with unexpected serious harm to subjects.

Clinical trials are generally conducted in three sequential phases, known as Phase I, Phase II and Phase III, which may overlap.

- Phase I clinical trials generally involve a limited number of healthy volunteers or disease-affected patients who are initially administered a single dose followed by multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect, tolerability and safety of the product candidate.
- Phase II clinical trials involve studies in disease-affected patients to evaluate proof of concept and/or determine the dosage required to produce the desired benefits. At the same time, safety and further pharmacokinetics and pharmacodynamics information is collected, possible adverse effects and safety risks are identified, and a preliminary evaluation of efficacy is conducted.
- Phase III clinical trials generally involve a large number of patients at multiple sites and are designed to provide the necessary data to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish its overall benefit/risk relationship of the product and provide an adequate basis for product labeling.

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Progress reports detailing the results of the clinical trials must be submitted to the FDA at least annually. Safety reports must be submitted to the FDA and the investigators within 15 calendar days after the trial sponsor determines that the information qualifies for reporting. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than 7 calendar days after the sponsor’s initial receipt of the information. Sponsors of clinical trials for FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov.

Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize the process for manufacturing the product at a commercial scale in accordance with current Good Manufacturing Practice (“cGMP”) requirements. The process of obtaining regulatory approvals and ensuring compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with applicable U.S. requirements may subject an applicant to administrative or judicial sanctions.

U.S. Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of a BLA. Unless deferred or waived, a BLA, or supplement must contain data adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation in which the product is safe and effective. The submission of a BLA is subject to a substantial user fee and an annual prescription drug program fee.

Within 60 days of its receipt, the FDA reviews the BLA to ensure that it is sufficiently complete for substantive review before it accepts the BLA for filing. After accepting the BLA filing, the FDA begins an in-depth substantive review to determine, among other things, whether the product is safe and effective for its intended use. The FDA also evaluates whether the product’s manufacturing is cGMP-compliant to assure the product’s identity, strength, quality and purity. Before approving the BLA, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the BLA to an advisory committee, a panel of experts, for review whether the application should be approved and under what conditions and considers such recommendations when making decisions.

The FDA may refuse to approve a BLA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. The FDA will issue a complete response letter describing all specific deficiencies identified in the BLA, which must be satisfactorily addressed before approval. The deficiencies identified may be minor (e.g., requiring labeling changes) or major (e.g., requiring additional clinical trials). Additionally, the complete response letter may include recommended actions that the applicant could take to place the application in a condition for approval. The applicant may either resubmit the BLA, addressing all deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

The regulatory approval may be limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including phase IV clinical trials, to further assess the product’s safety and effectiveness following BLA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Expedited Development and Review Programs

The FDA has various programs that are designed to expedite or streamline the process for the development and FDA review of drugs that are intended for the treatment of serious or life-threatening diseases or conditions and demonstrate the potential to address unmet medical needs. The purpose of these programs is to provide important new drugs to patients earlier than under standard FDA review procedures.

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Fast-track Designation

To be eligible for a fast-track designation, the FDA must determine, based on the request of a sponsor, that a drug is intended to treat a serious or life-threatening disease or condition with no available therapy and that it demonstrates the potential to address an unmet medical need. Under the fast-track program, the sponsor of a drug candidate may request FDA to designate the product as a fast-track product for a specific indication concurrently with or after the submission of the IND for the drug candidate. The FDA must make a fast-track designation determination within 60 days after receipt of the sponsor’s request.

In addition to other benefits, such as the ability to use surrogate endpoints and have greater interactions with FDA, FDA may initiate review of sections of a fast-track product’s NDA before the application is complete. This rolling review is available if the applicant provides, and FDA approves, a schedule for the submission of the remaining information and the applicant pays applicable user fees. However, FDA’s time period goal for reviewing a fast-track application does not begin until the last section of the NDA is submitted. In addition, the fast-track designation may be withdrawn by FDA if FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Priority Review

The FDA may grant a priority review designation to drugs that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A priority review means that the goal for the FDA to review an application is six months, rather than the standard review of ten months under the Prescription Drug User Fee Act (the “PDUFA”) guidelines. These six- and ten-month review periods are measured from the “filing” date rather than the receipt date for NDAs for new molecular entities, which typically adds approximately two months to the timeline for review and decision from the date of submission. Most products that are eligible for fast-track designation are also likely to be considered appropriate to receive a priority review.

Accelerated Approval

Under FDA’s accelerated approval regulations, the FDA may approve a drug or biologic candidate for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments and demonstrates an effect on either a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality (“IMM”), so that it is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the disease or condition and the availability or lack of alternative treatments. A product candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of post-approval clinical trial to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, will allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Breakthrough Designation

Another program available for sponsors is the breakthrough therapy designation. A drug or biologic may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A sponsor may request that a product be designated as a breakthrough therapy concurrently with, or at any time after, the submission of an IND, and the FDA must determine if the candidate qualifies for such designation within 60 days of receipt of the request. If so designated, the FDA shall act to expedite the

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development and review of the product’s marketing application, including by meeting with the sponsor throughout the product’s development, providing timely advice to the sponsor to ensure that the development program to gather preclinical and clinical data is as efficient as practicable.

Orphan Drugs

Under The Orphan Drug Act of 1983, the FDA may grant orphan drug designation to drugs or biologic candidates intended to treat a rare disease or condition generally affecting fewer than 200,000 individuals in the United States or for which a manufacturer has no reasonable expectation of recovering drug treatment research and development costs. The first applicant to receive FDA approval for the disease or indication for which it has orphan drug designation is entitled to a seven-year exclusive marketing period. During the exclusivity period, the FDA may not approve any other applications to market the same product for the same disease or condition except in limited circumstance.

Post-Marketing Requirements

Following the approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations, known as “off-label use,” and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA at the time of their first use or first publication. Furthermore, if there are any modifications to the drug or biologic, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new BLA or BLA supplement, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may also place other conditions on approvals including the requirement for a risk evaluation and mitigation strategy (the “REMS”), to ensure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS. The FDA will not approve the BLA without an approved REMS, if required. A REMS could include medication guides, physician communication plans or elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn for noncompliance with regulatory standards or problems occurring following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP.

Manufacturers and other entities involved in the manufacture and distribution of approved drugs or biologics are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. Any violation found, including failure to conform to cGMP regulations, could result in enforcement actions, and any problem identified with a product after approval may result in restrictions on the product, manufacturer or holder of the approved BLA, including recall.

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Once an approval is granted, the FDA may issue enforcement letters or withdraw the approval of a drug or biologic if compliance with regulatory requirements and standards is not maintained or if problems occur after the product is marketed. Corrective action could delay drug or biologic distribution and require significant time and financial expenditures. Later discovery of previously unknown problems with a drug or biologic, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; implementation of post-market studies or clinical trials to assess new safety risks; or implementation of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the drug or biologic, suspension of the approval, complete withdrawal of the drug from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of drug or biologic approvals; drug or biologic seizure or detention, or refusal to permit the import or export of drugs; or
- injunctions or the imposition of civil or criminal penalties.

Patient Protection and Affordable Health Care Act

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the “ACA”), became law in the United States in March 2010, and has driven healthcare reform in the United States by extending health insurance coverage and substantially changing the way healthcare financed by both governmental and private insurers in the United States. With regard to pharmaceutical products specifically, the ACA expanded and increased industry rebates for drugs covered under Medicaid programs and made changes to the coverage requirements under the Medicare prescription drug benefit. Among other things, the ACA contains provisions that may reduce the profitability of drug products through increased rebates for drugs reimbursed by Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, and mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies’ share of sales to federal health care programs.

Since its enactment, there have been judicial and congressional challenges to certain aspects of the ACA, and there may be additional challenges and amendments to the ACA in the future. Since January 2017, former President Trump has signed executive orders and other directives designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. Concurrently, the United States Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While the United States Congress has not passed comprehensive repeal legislation, several bills affecting the implementation of certain taxes under the ACA have passed. For example, the Tax Act enacted by the United States Congress in 2017 which eliminated the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the “individual mandate.” In addition, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the ACA mandated “Cadillac” tax on high-cost employer-sponsored health coverage and medical device tax, and eliminated, effective from January 1, 2021, the health insurer tax. There may be other efforts to challenge, repeal or replace the ACA.

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Patent Term Restoration and Market Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product’s testing phase, which is the time between IND and BLA submission, and all of the review phase, which is the time between BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed 14 years from the date of FDA approval of the product. Only one patent for each approved product is eligible for restoration, only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended, and the patent holder must apply for restoration within 60 days of approval. The United States Patent and Trademark Office (the “USPTO”), in consultation with the FDA, reviews and approves the application for patent term restoration. For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and the patent owner may apply for no more than four subsequent interim extensions. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the drug candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug candidate for which a BLA has not been submitted.

Recently Passed Law by the U.S. Government: The BIOSECURE Act

On January 25, 2024, Representative Mike Gallagher (R-WI) introduced the BIOSECURE Act (H.R. 7085) (the “Act”) to the U.S. House of Representatives. A goal of the Act is to safeguard the United States biotechnology supply chain amid concerns over potential national security threats perceived by those introducing the legislation to be associated with the PRC. The proposed legislation was referred to the House Committee on Oversight and Accountability, and passed by a vote of 306-81 in the House. The proposed legislation was referred to the U.S. Senate, and specifically the U.S. Senate Committees on Homeland Security and Governmental Affairs. On September 9, 2024, the U.S. House of Representatives voted in favor of its version of the Act. The U.S. Senate did not vote on either its version or the House-passed version and the legislation died at the conclusion of the 118th Congress in January 2025.

At the time, the Act, as proposed, generally would prohibit U.S. executive branch agencies from:

1. procuring or obtaining any biotechnology equipment or service produced or provided by a “biotechnology company of concern”;
2. entering into or renewing a contract with an entity that uses such biotechnology equipment or enters into a contract requiring the use of such biotechnology equipment after the applicable effective date of the prohibition; or
3. providing loan or grant funds to perform either of these functions.

The Act proposed defining “biotechnology company of concern” (“BCC”) to mean five named entities, namely BGI, MGI, Complete Genomics, WuXi AppTec, and WuXi Biologics, and any subsidiary, parent or successor of the foregoing.

On October 9, 2025, the U.S. Senate passed a revised version of the BIOSECURE Act as an amendment to the NDAA for the year of 2026. The final version of the NDAA containing this legislative language was passed by the Senate and House of Representatives and signed into law by

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President Trump on December 18, 2025. This version of the Act materially mitigates potential impacts, specifically, the Act eliminates the prior, explicit designation of “BCC” (which had included Wuxi AppTec) and instead adopts a dynamic identification framework tied to the U.S. Department of Defense’s annual List of Chinese Military Companies, also known as the 1260H List, and the U.S. Government also has the ability to designate entities as BCCs through a separate designation process. At present, that list includes BGI and MGI, but does not include Wuxi AppTec or its affiliates. In addition, the legislation narrows the definition of restricted “biotechnology equipment or services,” expressly excluding certain core technologies, including mass spectrometry and PCR instruments, from the scope of prohibitions.

Specifically, the Act prohibits the U.S. Government from procuring or obtaining biotechnology equipment or services produced or provided by a “BCC”; entering into, extending, or renewing government contracts with an entity that directly or indirectly (e.g., via a subcontractor) uses biotechnology equipment or services from a BCC in performance of that federal contract; and/or issuing grants or loans to purchase, obtain, or use biotechnology equipment or services produced by a BCC. The Act also prohibits U.S. government loan and grant recipients from using federal loan or grant money to enter into contracts with entities that use equipment from BCCs in the performance of any federal prime contract or subcontract.

Now in the implementation phase, U.S. agencies will further define compliance obligations under the Act through the U.S. regulation approval process known as notice and comment rulemaking or through other procedures. The President of the United States may also issue executive orders with respect to the content of the Act.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a clinical-stage biotechnology company committed to developing small molecule therapies for autoimmune and neurodegenerative diseases. Our history dates back to December 2017 when Hangzhou Highlightll Pharmaceutical Co., Ltd. (杭州高光製藥有限公司) (formerly known as Guangzhou Gaoling Pharmaceutical Co., Ltd. (廣州高瓴製藥有限公司) and Hangzhou Gaoling Pharmaceutical Co., Ltd. (杭州高瓴製藥有限公司)) was established in the PRC. In September 2025, our Company was converted from a limited liability company into a joint stock limited company and renamed to Hangzhou Highlightll Pharmaceutical Co., Ltd. (杭州高光製藥股份有限公司).

BUSINESS DEVELOPMENT MILESTONES

The table below summarizes our key business development milestones.

Year	Milestone
2017	Hangzhou Highlightll Pharmaceutical Co., Ltd. (杭州高光製藥有限公司) (formerly known as Guangzhou Gaoling Pharmaceutical Co., Ltd. (廣州高瓴製藥有限公司) and Hangzhou Gaoling Pharmaceutical Co., Ltd. (杭州高瓴製藥有限公司)) was established in the PRC
2018	We commenced preclinical studies for TLL-018
2020	We received IND approval from the FDA to initiate the Phase I clinical trial of TLL-018 in healthy subjects in the United States We completed the Phase I clinical trial of TLL-018 in healthy subjects in the United States
2021	We received IND approval from the NMPA to initiate the Phase I clinical trial of TLL-018 for the treatment of RA in China
2022	We received IND approval from the NMPA for TLL-018 for the treatment of CSU in China
2023	We received IND approval from the FDA to initiate the Phase I clinical trial of TLL-041 in healthy subjects in the United States in March We entered into a development and license agreement with Biohaven for TLL-041/BHV-8000 We received IND approval from the NMPA for TLL-018 for the treatment of AD and SLE in China We completed the Phase IIa clinical trial of TLL-018 in patients with active RA in China We initiated the Phase III registrational trial of TLL-018 in patients with active RA in China We completed the Phase Ib clinical trial of TLL-018 in patients with moderate-to-severe CSU in China
2024	We initiated the Phase III registrational trial of TLL-018 in patients with moderate-to-severe CSU in China
2025	We received IND approval from the FDA to initiate the Phase I clinical trial of HL-400 in healthy subjects in the United States TLL-041/BHV-8000 was advanced into Phase II/III registrational study for Parkinson’s disease in the United States

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	We received IND approval from the NMPA to initiate the Phase I clinical trial of TLL-041 for the prevention of treatment-emergent amyloid-related imaging abnormalities in patients with Alzheimer’s diseases in China
2026	We completed the primary efficacy analysis of the Phase III registrational trial of TLL-018 in patients with CSU in China and the trial met both primary endpoints We submitted the pre-NDA and priority review applications for TLL-018 for the treatment of CSU to the NMPA We completed the primary efficacy analysis of the Phase III registrational trial of TLL-018 in patients with active RA in China and the trial met its primary endpoint and all secondary endpoints We completed the Phase I clinical trial of HL-400 in healthy subjects the in the United States

OUR MAJOR SUBSIDIARY

The table below sets out the place and date of incorporation and principal business activities of our subsidiary that made a material contribution to our results of operations during the Track Record Period or is or will be of strategic importance.

Subsidiary	Place of incorporation	Date of incorporation	Principal business activities
Highlightll US	Delaware, the United States	May 17, 2018	Coordinate R&D activities

MAJOR MERGER, ACQUISITION AND DISPOSAL

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any merger, acquisition or disposal that we consider to be material to us.

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(a) Establishment of Our Company

On December 14, 2017, our Company was established as a limited liability company in the PRC. The shareholding structure of our Company as of the date of its establishment was as follows:

Shareholder	Registered capital subscribed for (RMB)	Equity interest (%)
Ms. Liang Nina (梁妮娜) (“ Ms. Liang ”)	6,666,667 ⁽¹⁾	66.67
Dr. Liu Xiangdong (劉向東) (“ Dr. Liu ”) ⁽²⁾	3,333,333	33.33
Total	10,000,000	100.00

Notes:

- (1) Among the RMB6,666,667 registered capital of our Company registered under Ms. Liang’s name, RMB3,333,334 was held on behalf of Dr. Liang and RMB3,333,333 was held on behalf of Dr. Tan Fenlai (“**Dr. Tan**”). Ms. Liang is Dr. Liang’s niece. Dr. Tan, the founder of Lupeng Pharmaceutical Ltd. (麓鵬製藥有限公司), served as our consultant during the early-stage development of our Company. Dr. Tan and Dr. Liang became acquainted through the collaboration between Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司)

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

司) (300558.SZ) (“**Betta Pharmaceuticals**”), where Dr. Tan was serving as chief medical officer, and Xcovery Holdings, Inc., which was co-founded by Dr. Liang. Betta Pharmaceuticals acquired a controlling interest in Xcovery in June 2017. Dr. Tan was not involved the R&D of our Core Product and other product candidates and business operations, nor does he own any intellectual properties of our Company. Dr. Liang and Dr. Tan are foreign nationals, and Dr. Liang was residing abroad at the time of our Company’s establishment, making it inconvenient for them to complete the business registration procedures directly. To expedite the Company’s registration, they therefore arranged for nominee shareholding with Ms. Liang. As advised by our PRC Legal Advisor, the nominee shareholding arrangements between Ms. Liang and Dr. Liang, and between Ms. Liang and Dr. Tan, did not violate the applicable PRC laws and regulations prevailing at the relevant time.

- (2) Dr. Liu served as our CEO from December 2017 to January 2021.

(b) Equity Transfers in May 2018

In May 2018, the following transfers of registered capital of our Company were effected:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Ms. Liang	Dr. Liang	5,166,667 ⁽¹⁾	Nil
Ms. Liang	Dr. Tan	1,500,000 ⁽²⁾	Nil

Notes:

- (1) Among the RMB5,166,667 registered capital of our Company transferred from Ms. Liang to Dr. Liang, RMB3,333,334 represented Dr. Liang’s actual capital contribution to our Company, and the remaining RMB1,833,333 was instructed by Dr. Tan to change the nominee shareholder of that portion to Dr. Liang after Dr. Liang moved back to China. Upon the completion of the equity transfer, the nominee shareholding arrangement between Ms. Liang and Dr. Liang was terminated as Dr. Liang had returned to China.
- (2) The equity transfer from Ms. Liang to Dr. Tan was conducted to terminate the nominee shareholding arrangement between Ms. Liang and Dr. Tan.

(c) Equity Transfers in December 2018

In December 2018, the following transfers of registered capital of our Company were effected:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Dr. Liang	Lanxi Guihua Limited (“ Lanxi Guihua ”) ⁽¹⁾	3,766,667 ⁽²⁾	Nil
Dr. Liang ⁽³⁾	Highlightll Enterprise Management ⁽³⁾	1,400,000	Nil
Dr. Liu ⁽³⁾	Highlightll Enterprise Management ⁽³⁾	350,000	Nil

Notes:

- (1) Lanxi Guihua is a limited liability company incorporated in the BVI and wholly owned by Dr. Liang.
- (2) Among the RMB3,766,667 registered capital of our Company registered under Lanxi Guihua’s name, RMB1,133,333 was held on behalf of Dr. Tan.
- (3) As agreed among the then Shareholders, Dr. Liang, Dr. Tan and Dr. Liu respectively transferred RMB700,000, RMB700,000 (transferred by Dr. Liang as Dr. Tan’s nominee) and RMB350,000 registered capital of our Company to Highlightll Enterprise Management in December 2018 and the equity interests in our Company held by Highlightll Enterprise Management following such equity transfers will vest to Dr. Liang, Dr. Tan and/or Dr. Liu upon the fulfillment of certain employment and performance conditions by them. In the event such conditions are not fulfilled, the corresponding equity interests held by Highlightll Enterprise Management will be clawed back and reallocated for director and employee incentive purposes.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pursuant to an agreement entered into by Dr. Liang, Dr. Tan, Dr. Liu, Highlightll Enterprise Management and our Company in October 2020, (i) due to Dr. Tan’s decision not to serve our Company on a full-time basis, the RMB700,000 registered capital of our Company previously transferred by Dr. Liang as Dr. Tan’s nominee to Highlightll Enterprise Management was clawed back and reallocated; (ii) the RMB1,133,333 registered capital of our Company previously registered under Dr. Liang’s name (transferred from Lanxi Guihua in May 2020) as nominee shareholder of Dr. Tan was restructured to be held by Dr. Tan indirectly through Highlightll Enterprise Management; in parallel, a corresponding RMB1,133,333 registered capital of our Company previously held by Highlightll Enterprise Management was re-registered under Dr. Liang’s name and will vest to him upon the fulfillment of certain employment and performance conditions; consequently, the nominee shareholding arrangement between Dr. Liang and Dr. Tan was terminated; and (iii) based on the performance of Dr. Liang and Dr. Liu at our Company, RMB117,647 and RMB120,589 registered capital of our Company held by Highlightll Enterprise Management were respectively vested to Dr. Liang and Dr. Liu.

Pursuant to an agreement entered into by Dr. Liu, our Company and Highlightll US in September 2021, due to Dr. Liu’s resignation, all parties agreed to claw back, without compensation, the RMB120,589 registered capital of our Company held by Highlightll Enterprise Management previously vested to Dr. Liu and reallocate the same. Please also refer to note (1) to “— Establishment and Major Shareholding Changes of Our Company — (j) Equity Transfer and Capital Increase by Highlightll Enterprise Management in November 2021” below for details of the clawback of the registered capital of our Company held by Dr. Liu directly.

In March 2021 and September 2025, respectively, the then Shareholders resolved that all registered capital of our Company registered under Dr. Liang’s name was vested to him.

(d) Series A Financing

We completed the Series A Financing in January 2019 through capital increase as detailed below. For further details of the Series A Financing, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company increased to RMB11,764,706.

Series A Investor	Registered capital subscribed for (RMB)	Consideration (RMB)
Hangzhou Kaitai Chengde Venture Investment Partnership (Limited Partnership) (杭州凱泰成德創 業投資合夥企業(有限合夥)) (“Kaitai Chengde”) . .	735,294	16,500,000
Hangzhou Kaitai Ruide Venture Investment Partnership (Limited Partnership) (杭州凱泰睿德創 業投資合夥企業(有限合夥)) (“Kaitai Ruide”)	735,294	16,500,000
Shanghai WisdoMont Xingqian Venture Investment Center (Limited Partnership) (上海盛山興錢創業投資中心(有限合夥)) (“WisdoMont Xingqian”) ⁽¹⁾	294,118	6,600,000
Total	1,764,706	39,600,000

Note:

- (1) WisdoMont Xingqian is a limited partnership established in the PRC on December 1, 2015. Its general partner is WisdoMont Asset Management Co., Ltd. (盛山資產管理(上海)有限公司). To the best knowledge of our Directors, WisdoMont Xingqian is an independent third party.

(e) Equity Transfer in May 2020

In May 2020, the following transfer of registered capital of our Company was effected:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Lanxi Guihua	Dr. Liang	3,766,667 ⁽¹⁾	Nil

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Note:

- (1) Among the RMB3,766,667 registered capital of our Company registered under Dr. Liang’s name, RMB1,833,333 was held on behalf of Dr. Tan.

(f) Series B Financing

We completed the Series B Financing in January 2021 through capital increase as detailed below. For further details of the Series B Financing, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company increased to RMB14,705,883.

Series B Investor	Registered capital subscribed for (RMB)	Consideration (RMB)
Shenzhen Efung Ninth Venture Investment Center (Limited Partnership) (深圳市倚鋒九期創業投資中心(有限合伙)) (“ Efung Ninth ”)	529,412	18,000,000
Hangzhou Xiangkang Efung Venture Capital Partnership (Limited Partnership) (杭州向康倚鋒創業投資合夥企業(有限合伙)) (“ Efung Xiangkang ”)	352,941	12,000,000
Shenzhen Efung Investment Management Limited Partnership Enterprise (L.P.) (深圳市倚鋒投資管理企業(有限合伙)) (“ Efung Capital ”)	294,118	10,000,000
Hangzhou Jingxin Venture Investment Partnership (Limited Partnership) (杭州鏡心創業投資合夥企業(有限合伙)) (“ Jingxin Investment ”)	882,353	30,000,000
Hangzhou Kaitai Hongde Venture Investment Partnership (Limited Partnership) (杭州凱泰宏德創業投資合夥企業(有限合伙)) (“ Kaitai Hongde ”) . . .	882,353	30,000,000
Total	2,941,177	100,000,000

(g) Equity Transfer in February 2021

In February 2021, the following transfer of registered capital of our Company was effected:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Dr. Tan.	Mr. Tang Yilong (唐亦龍) (“ Mr. Tang ”) ⁽¹⁾	764,735	22,100,850

Note:

- (1) Mr. Tang is a director and general manager of Guangzhou Tong’erda Technology Co., Ltd. (廣州通爾達科技有限公司) and a seasoned entrepreneur. To the best knowledge of our Directors, Mr. Tang is an independent third party.

(h) Series B+ Financing

We completed the Series B+ Financing in June 2021 through capital increase as detailed below. For further details of the Series B+ Financing, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company increased to RMB16,503,269.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series B+ Investor	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發 展基金(濰坊)合夥企業(有限合夥)) (“ Hankang SME ”)	1,307,190	80,000,000
AZ-CICC	326,797	20,000,000
VSPR IV HK Holdings Limited (“ VSPR ”)	163,399	10,000,000
Total	1,797,386	110,000,000

(i) Equity Transfers in July 2021

In July 2021, the following transfers of registered capital of our Company were effected:

Transferor	Transferee	Registered capital transferred	Consideration
		(RMB)	(RMB)
WisdoMont Xingqian ⁽¹⁾	Xiamen Jinyuan Kaitai Zhanhong Health Growth Venture Investment Partnership (Limited Partnership) (廈門金圓凱泰展鴻健康 成長創業投資合夥企業 (有限合夥)) (“ Jinyuan Kaitai ”)	130,721	8,000,000
WisdoMont Xingqian ⁽¹⁾	Efung Xiangkang	130,721	8,000,000
WisdoMont Xingqian ⁽¹⁾	VSPR	32,676	2,000,000
Highlightll Enterprise Management	AZ-CICC	245,090 ⁽²⁾	15,000,000
Efung Capital ⁽³⁾	Shenzhen Efung Investment Development Co., Ltd. (深圳市倚鋒投 資發展有限公司) (“ Efung Investment ”) ⁽³⁾	294,118	10,000,000

Notes:

- (1) Upon the completion of the abovementioned equity transfers, WisdoMont Xingqian ceased to hold any equity interest in our Company.
- (2) The equity transfer was conducted to effect Dr. Tan’s decision to reduce his shareholding in our Company held through Highlightll Enterprise Management.
- (3) Efung Investment is an affiliate of Efung Capital. The consideration for such equity transfer is equal to Efung Capital’s original investment cost.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(j) Equity Transfer and Capital Increase by Highlightll Enterprise Management in November 2021

In November 2021, the following transfer of registered capital of our Company was effected:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Dr. Liu ⁽¹⁾	Highlightll Enterprise Management ⁽¹⁾	267,402	Nil

Note:

- (1) Pursuant to an agreement entered into by Dr. Liu, our Company and Highlightll US in September 2021, due to Dr. Liu’s resignation, all parties agreed to claw back, without compensation, 12.5% of the equity interests (corresponding to a capital contribution of RMB387,991) held directly and indirectly by Dr. Liu in our Company and reallocate the same for employee incentive purposes. As a result, Dr. Liu transferred RMB267,402 registered capital of our Company held by him directly to Highlightll Enterprise Management at nil consideration. Please also refer to note (3) to “— Establishment and Major Shareholding Changes of Our Company — (c) Equity Transfers in December 2018” above for details of the clawback of the registered capital of our Company held by Highlightll Enterprise Management and previously vested to Dr. Liu.

In November 2021, Highlightll Enterprise Management subscribed for RMB510,410 registered capital of our Company at a consideration of RMB510,410. Highlightll Enterprise Management is our employee incentive platform. As a result, the registered capital of our Company increased to RMB17,013,679.

(k) Series B2 Financing

We completed the Series B2 Financing in November 2021 through capital increase as detailed below. For further details of the Series B2 Financing, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company increased to RMB18,361,297.

Series B2 Investor	Registered capital subscribed for (RMB)	Consideration (RMB)
AZ-CICC	1,347,618	100,000,000
Total	1,347,618	100,000,000

(l) Series Pre-C Financing

We completed the Series Pre-C Financing in January 2025 through capital increase as detailed below. For further details of the Series Pre-C Financing, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company increased to RMB19,894,466.

Series Pre-C Investor	Registered capital subscribed for (RMB)	Consideration (RMB)
Zhuhai Huajin Lingjian Equity Investment Fund Partnership (Limited Partnership) (珠海華金領健股權投資基金合夥企業(有限合夥)) (“Huajin Lingjian”)	604,495	59,260,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series Pre-C Investor	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Zhuhai Huajin Shangying No. 7 Equity Investment Fund Partnership (Limited Partnership) (珠海華金尚盈七號股權投資基金合夥企業(有限合夥)) (“ Huajin Shangying ”)	7,549	740,000
Ningbo Kangjun Zhongyuan Equity Investment Partnership (Limited Partnership) (寧波康君仲元股權投資合夥企業(有限合夥)) (“ Kangjun Zhongyuan ”)	408,029	40,000,000
Hainan Infinity Jiuzhou Health Technology Venture Investment Partnership (Limited Partnership) (海南省英飛九州健康科技創業投資合夥企業(有限合夥)) (“ Infinity Jiuzhou ”)	306,022	30,000,000
Shenzhen Infinity Zhonghe No. 2 Management Consulting Partnership (Limited Partnership) (深圳市英飛眾合貳號管理諮詢合夥企業(有限合夥)) (“ Infinity Zhonghe ”)	3,060	300,000
Hankang SME	204,014	20,000,000
Total	1,533,169	150,300,000

(m) Conversion of Our Company into a Joint Stock Limited Company in September 2025

On September 10, 2025, the then Shareholders resolved to, among others, convert our Company from a limited liability company into a joint stock limited company and change the name of our Company from Hangzhou Highlightll Pharmaceutical Co., Ltd. (杭州高光製藥有限公司) to Hangzhou Highlightll Pharmaceutical Co., Ltd. (杭州高光製藥股份有限公司). On September 15, 2025, our Company convened the inaugural general meeting and passed resolutions approving, among others, the conversion of our Company into a joint stock limited company. Upon the completion of the conversion, the registered capital of our Company became RMB19,894,466 divided into 19,894,466 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interest in our Company before the conversion.

(n) Equity Transfer in November 2025

In November 2025, the following equity transfer of our Company was effected:

Transferor	Transferee	Number of Shares transferred	Consideration
			(RMB)
Highlightll Enterprise Management	Dr. Tan	888,240 ⁽¹⁾	888,240

Note:

- (1) The equity transfer was conducted to effect Dr. Tan’s decision to convert his indirect shareholding in our Company held through Highlightll Enterprise Management into direct shareholding.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(o) Series C Financing

We completed the Series C Financing in November 2025 through capital increase as detailed below. For further details of the Series C Financing, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company increased to RMB21,295,728.

Series C Investor	Number of Shares subscribed for	Consideration (RMB)
AIHC MASTER FUND (“AIHC”)	622,783	72,000,000
Hankang SME	518,986	60,000,000
Kangjun Zhongyuan	259,493	30,000,000
Total	1,401,262	162,000,000

(p) Equity Transfer in February 2026

In February 2026, the following equity transfer of our Company was effected:

Transferor	Transferee	Shares transferred	Consideration (RMB)
Jingxin Investment . . .	Tianjin Hongchuang Haihe Venture Capital Partnership (Limited Partnership) (天津泓 創海河創業投資合夥企業(有限 合夥)) (“Hongchuang Haihe”)	288,323	30,000,000

SHARE SUBDIVISION BEFORE THE [REDACTED]

Pursuant to the Shareholders’ resolutions dated October 9, 2025, our Shares will be subdivided on a one-for-ten basis immediately prior to the [REDACTED]. Following the Share Subdivision, the nominal value of each Shares will be changed from RMB1.00 to RMB0.10. As a result, the registered capital of our Company immediately prior to the [REDACTED] will be RMB21,295,728, comprising 212,957,280 Shares with a nominal value of RMB0.10 each.

PRE-[REDACTED] INVESTMENTS

(a) Principal terms of the Pre-[REDACTED] Investments

The table below summarizes the key terms of the Pre-[REDACTED] Investments made by the Pre-[REDACTED] Investors:

	Series A Financing	Series B Financing	Series B+ Financing	Series B2 Financing	Series Pre-C Financing	Series C Financing
Date of agreement(s)	December 2018	October 26, 2020, December 31, 2020	May 11, 2021	November 2, 2021	March 1, 2024, October 31, 2024	September 18, 2025
Amount of registered capital subscribed for (RMB)	1,764,706	2,941,177	1,797,386	1,347,618	1,533,169	1,401,262
Amount of consideration paid (RMB)	39,600,000	100,000,000	110,000,000	100,000,000	150,300,000	162,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Series A Financing	Series B Financing	Series B+ Financing	Series B2 Financing	Series Pre-C Financing	Series C Financing
Date of payment of consideration in full	January 24, 2019	January 15, 2021	June 29, 2021	November 16, 2021	January 2, 2025	November 28, 2025
Approximate cost per RMB1.0 of the registered capital paid (RMB)	22.44	34.00	61.20	74.21	98.03	115.61
Approximate discount to the [REDACTED] ⁽¹⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Post-money valuation of our Group (RMB) ⁽²⁾	264,000,000	500,000,000	1,001,000,000	1,362,500,000	1,950,300,000	2,462,000,000
Basis of determination of valuation and consideration	The valuation of our Group and consideration for each round of Pre-[REDACTED] Investments were determined based on arm’s length negotiation between our Group and the Pre-[REDACTED] Investors taking into account the timing of the Pre-[REDACTED] Investments and our R&D progress and business prospects.					
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds from the Pre-[REDACTED] Investments to finance our R&D activities and our daily operations. As of the Latest Practicable Date, approximately 91.55% of the net proceeds from the Pre-[REDACTED] Investments had been utilized.					
Lock-up	Pursuant to applicable PRC law, within 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) shall not dispose of any of the Shares held by them.					
Strategic benefits to our Group brought by the Pre-[REDACTED] Investors	Our Directors were of the view that our Group could benefit from the additional capital provided by the Pre-[REDACTED] Investors and their industry knowledge and experience. The Pre-[REDACTED] Investments also demonstrated the Pre-[REDACTED] Investors’ confidence in and endorsement of our research and development capabilities and business prospects.					

Notes:

- (1) The discount to the [REDACTED] is calculated based on (i) the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]) and (ii) the exchange rate set out in “Information about this Document and the [REDACTED],”
- (2) The primary reasons for the material increase in the valuation of our Group are set forth below:
 - (i) the material increase in our Group’s valuation from the Series A Financing to the Series B Financing was primarily due to the completion of the Phase I clinical study of TLL-018;
 - (ii) the material increase in our Group’s valuation from the Series B Financing to the Series B+ Financing was primarily due to the discovery of TLL-041’s potential application in CNS diseases;
 - (iii) the material increase in our Group’s valuation from the Series B2 Financing to the Series Pre-C Financing was primarily due to (a) promising Phase II clinical results of TLL-018 across multiple indications, (b) TLL-041’s Phase I clinical study was in line with our expectations, and (c) the submission of IND filings for both TLL-300 and HL-400 programs;
 - (iv) the material increase in our Group’s valuation from the Series Pre-C Financing to the Series C Financing was primarily due to (a) FDA approval to begin Phase I clinical trials of HL-400 in the United States, and (b) the advancement of TLL-041/BHV-8000 into Phase II/III registrational trials for Parkinson’s disease in the United States; and
 - (v) the material increase in our Group’s valuation from the Series C Financing to the [REDACTED] is primarily due to (a) the steady R&D progress of our Core Product and other pipeline products since the Series C Financing, including the receipt of the IND approval from the NMPA to initiate the Phase I clinical trial of TLL-041 for the prevention of treatment-emergent amyloid-related imaging abnormalities in patients with Alzheimer’s diseases in China, the completion of the primary efficacy analysis of the Phase III clinical trials of TLL-018 in patients with CSU and active RA in China, the submission of the pre-NDA and priority review applications for TLL-018 for the treatment of CSU to the NMPA, and the completion of the Phase I clinical trial of HL-400 in healthy subjects in the United States, and (b) the improved liquidity of the H Shares following the [REDACTED].

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(b) Special rights of the Pre-[REDACTED] Investors

Pursuant to the shareholders’ agreement entered into among our Company and our Shareholders, certain Pre-[REDACTED] Investors were granted certain customary special rights, including, among others, redemption rights, anti-dilution rights, liquidation rights, right of first offer, right of first refusal, drag-along rights, co-sale rights and information rights. The redemption rights, among others, ceased to be exercisable on July 31, 2025 or on the day on which our Company submits its first [REDACTED] application form to the Stock Exchange, and all other special rights granted to the Pre-[REDACTED] Investors will be terminated upon the [REDACTED].

(c) Joint Sponsors’ Confirmation

On the basis that (i) the respective consideration for the Pre-[REDACTED] Investments was settled more than 120 clear days before the [REDACTED], and (ii) the redemption rights granted to certain Pre-[REDACTED] Investors ceased to be exercisable on July 31, 2025 or on the day on which our Company submits its first [REDACTED] application form to the Stock Exchange, and all other special rights granted to the Pre-[REDACTED] Investors will be terminated upon the [REDACTED], the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide.

(d) Information about Our Pre-[REDACTED] Investors

Our Pre-[REDACTED] Investors include certain Sophisticated Investors, namely Hankang Capital and AZ-CICC. The background information of our institutional Pre-[REDACTED] Investors which held 1% or more of our Company’s total issued Shares as of the Latest Practicable Date is set out below. To the best knowledge of our Directors, save as otherwise disclosed above, each of the Pre-[REDACTED] Investors and their ultimate beneficial owners or controllers is an independent third party.

Kaitai Capital

Kaitai Hongde is a limited partnership established in the PRC. Its general partners are Hangzhou Kaitai Capital Management Co., Ltd. (杭州凱泰資本管理有限公司) (“**Hangzhou Kaitai**”) holding approximately 0.22% of the partnership interest and Hangzhou Kaitai Huijin Enterprise Management Co., Ltd. (杭州凱泰匯金企業管理有限公司) (“**Kaitai Huijin**”) holding approximately 0.22% of the partnership interest. Both Hangzhou Kaitai and Kaitai Huijin are ultimately controlled by Mr. Xu Yonghong (徐永紅) (“**Mr. Xu**”). As of the Latest Practicable Date, Kaitai Hongde had 12 limited partners, with the two largest limited partners, Huang Shizhuan (黃世專) and Hangzhou Heda Industrial Fund Investment Co., Ltd. (杭州和達產業基金投資有限公司) (“**Hangzhou Heda**”), holding approximately 34.67% and 33.33% of the partnership interest, respectively. Hangzhou Heda is controlled by Hangzhou Qiantang New Area Administrative Committee (杭州錢塘新區管理委員會). No other limited partner of Kaitai Hongde held 30% or more of the partnership interest.

Kaitai Chengde is a limited partnership established in the PRC. Its general partner is Hangzhou Kaitai Jie’ao Investment Management Co., Ltd. (杭州凱泰潔奧投資管理有限公司) (“**Kaitai Jie’ao**”) holding approximately 0.36% of the partnership interest. Kaitai Jie’ao is wholly owned by Hangzhou Kaitai. As of the Latest Practicable Date, Kaitai Chengde had 21 limited partners. No limited partner of Kaitai Chengde held 30% or more of the partnership interest.

Kaitai Ruide is a limited partnership established in the PRC. Its general partners are Kaitai Jie’ao holding approximately 0.35% of the partnership interest and Hangzhou Kaitai Boyuan Investment Management Co., Ltd. (杭州凱泰博源投資管理有限公司) (“**Kaitai Boyuan**”) holding approximately 0.35% of the partnership interest. Kaitai Boyuan is ultimately controlled by Mr. Xu. As of the Latest Practicable Date, Kaitai Ruide had 21 limited partners. No limited partner of Kaitai Ruide held 30% or more of the partnership interest.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Jinyuan Kaitai is a limited partnership established in the PRC. Its general partner is Hangzhou Kaitai holding 1.00% of the partnership interest. As of the Latest Practicable Date, Jinyuan Kaitai had 12 limited partners, with the largest limited partner, Xiamen Jinyuan Zhanhong Equity Investment Partnership (Limited Partnership) (廈門金圓展鴻股權投資合夥企業(有限合夥)) (“**Xiamen Jinyuan**”), holding 45.00% of the partnership interest. The general partner of Xiamen Jinyuan is Xiamen Jinyuan Equity Investment Co., Ltd. (廈門市金圓股權投資有限公司), which is controlled by Xiamen Municipal Finance Bureau (廈門市財政局). No other limited partner of Jinyuan Kaitai held 30% or more of the partnership interest.

Established in 2010, Kaitai Capital (凱泰資本) is a capital risk management company, focusing on investing in biotech and digital health companies and AI technology, with more than RMB8 billion assets under management. It has invested in biotech companies such as CARsgen Therapeutics Holdings Limited (科濟藥業控股有限公司) (02171.HK) and Beijing Scitop Bio-tech Co., Ltd. (北京科拓恆通生物技術股份有限公司) (300858.SZ).

Hankang Capital

Hankang SME is a limited partnership established in the PRC. Its general partner is Shanghai Hanshan Management Consulting Partnership (Limited Partnership) (上海漢杉管理諮詢合夥企業(有限合夥)) (“**Shanghai Hanshan**”) holding approximately 1.18% of the partnership interest. The general partner of Shanghai Hanshan is Shanghai Hankang Private Equity Fund Management Co., Ltd. (上海漢康私募基金管理有限公司) (“**Hankang Capital**”) holding approximately 95.65% of the partnership interest. Hankang Capital is owned by Mr. Yuan Quanhong (苑全紅) as to 80% and Mr. Zhang Yincheng (張銀成), our non-executive Director, as to 20%. As of the Latest Practicable Date, Hankang SME had 16 limited partners. No limited partner of Hankang SME held 30% or more of the partnership interest.

Hankang SME is an investment arm of Hankang Capital (漢康資本). Hankang Capital is a venture capital firm focusing on biotech investment opportunities with approximately RMB8 billion assets under management. Hankang Capital focuses on in-depth research in major diseases and medical needs, conducting forward-looking research, and investing in start-ups with first-tier teams and technology platforms in advance to help them become leading companies through value-added services. Its investment portfolio includes Akeso, Inc. (康方生物科技(開曼)有限公司) (09926.HK), InnoCare Pharma Limited (諾誠健華醫藥有限公司) (09969.HK, 688428.SH), Keymed Biosciences Inc. (康諾亞生物醫藥科技股份有限公司) (02162.HK), Abbisko Cayman Limited (和譽開曼有限責任公司) (02256.HK), Duality Biotherapeutics, Inc. (映恩生物) (09606.HK), Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司) (09887.HK), Shenzhen Chipscreen Biosciences Co., Ltd. (深圳微芯生物科技股份有限公司) (688321.SH) and Shanghai OPM Biosciences Co., Ltd. (上海奧浦邁生物科技股份有限公司) (688293.SH).

AZ-CICC

AZ-CICC is a limited partnership established in the PRC. Its general partners are AstraZeneca Investment Consulting (Wuxi) Co., Ltd. (阿斯利康商務諮詢(無錫)有限公司) (“**AZ Investment Consulting**”) and CICC Private Equity Management Co., Ltd. (中金私募股權投資管理有限公司) (“**CICC Capital Management**”), each holding 0.5312% of the partnership interest. As of the Latest Practicable Date, AZ-CICC had 17 limited partners, none of which held 30% or more of the partnership interest.

CICC Capital Management is a wholly-owned subsidiary of China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 03908) and the Shanghai Stock Exchange (stock code: 601995). CICC Capital Management has RMB97 billion assets under management.

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AZ Investment Consulting is a wholly-owned subsidiary of AstraZeneca Investment (China) Co., Ltd. (阿斯利康投資(中國)有限公司) and these entities are indirectly wholly-owned subsidiaries of the parent company AstraZeneca PLC (“**AstraZeneca**”), a public limited company with the principal markets for trading on the London Stock Exchange, Nasdaq Stockholm and the New York Stock Exchange (ticker symbol: AZN). AstraZeneca is a global, science-led biopharmaceutical company that focuses on the discovery, development, and commercialization of prescription medicines in oncology, rare diseases, and biopharmaceuticals (including cardiovascular, renal & metabolism, and respiratory & immunology).

AZ-CICC has indirectly invested in a number of healthcare and biotech companies including Abbisko Cayman Limited (和譽開曼有限責任公司) (02256.HK) and Duality Biotherapeutics, Inc. (映恩生物) (09606.HK).

Efung Capital

Efung Ninth is a limited partnership established in the PRC. Its general partner is Efung Capital holding 0.50% of the partnership interest. Efung Capital is ultimately controlled by Mr. Zhu Jinqiao (朱晉橋) (“**Mr. Zhu**”). As of the Latest Practicable Date, Efung Ninth had nine limited partners, with the largest limited partner, Shenzhen Shuangyue Venture Investment Center (Limited Partnership) (深圳市雙悅創業投資中心(有限合夥)) (“**Shenzhen Shuangyue**”), holding approximately 57.33% of the partnership interest. The general partner of Shenzhen Shuangyue is Efung Capital. None of the limited partners of Shenzhen Shuangyue held 30% or more of the partnership interest. No other limited partner of Efung Ninth held 30% or more of the partnership interest.

Efung Xiangkang is a limited partnership established in the PRC. Its general partner is Efung Capital holding 1.00% of the partnership interest. As of the Latest Practicable Date, Efung Xiangkang had 23 limited partners. No limited partner of Efung Xiangkang held 30% or more of the partnership interest.

Efung Investment is a limited liability company established in the PRC. It is wholly owned by Shenzhen Efung Holdings Group Co., Ltd. (深圳市倚鋒控股集團有限公司) (“**Efung Holdings**”). Efung Holdings is controlled by Mr. Zhu.

Efung Capital (倚鋒資本) focus on medical and healthcare sectors, especially in venture capital and private equity investment in biomedicine and high-end medical devices, with over RMB7 billion of assets under its management. It has explored profoundly the potentials of healthcare industry and has invested in over 100 biomedicine companies globally, including but not limited to Wuhan Healthgen Biotechnology Corp. (武漢禾元生物科技股份有限公司) (688765.SH), Insight Lifetech Co., Ltd. (深圳北芯生命科技股份有限公司) (stock code: 688712.SH), Shenzhen Chipscreen Biosciences Co., Ltd. (深圳微芯生物科技股份有限公司) (688321.SH), Frontier Biotechnologies Inc. (前沿生物藥業(南京)股份有限公司) (688221.SH), Ascentage Pharma Group International (亞盛醫藥集團) (06855.HK; AAPG.NASDAQ), Shenzhen Pumen Technology Co., Ltd. (深圳普門科技股份有限公司) (688389.SH), OBio Technology (Shanghai) Corp., Ltd. (和元生物技術(上海)股份有限公司) (688238.SH), 3D Medicines Inc. (思路迪醫藥股份有限公司) (01244.HK) and HBM Holdings Limited (和鉑醫藥控股有限公司) (02142.HK).

Bayland Capital

Kangjun Zhongyuan is a limited partnership established in the PRC. Its general partner is Bayland Investment Management (Beijing) Co., Ltd. (康君投資管理(北京)有限公司) (“**Bayland Beijing**”) holding approximately 0.24% of the partnership interest. Bayland Beijing is controlled by Mr. Lou Xiaoqiang (樓小強). As of the Latest Practicable Date, Kangjun Zhongyuan had 17 limited partners. No limited partner of Kangjun Zhongyuan held 30% or more of the partnership interest.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Kangjun Zhongyuan is managed by Bayland Capital (康君資本). Bayland Capital specializes in investing in the biopharmaceutical field, with a focus on biopharmaceutical R&D services and technology innovation platforms worldwide.

AIHC

AIHC is established in the Cayman Islands and is managed by AIHC Capital Management Limited (collectively, “**AIHC Group**”), an asset management company licensed by the SFC and controlled by Mr. Zhang Wei. AIHC Group specializes in research and investment in global healthcare industries.

Huajin Capital

Huajin Lingjian is a limited partnership established in the PRC. Its general partner is Zhuhai Huajin Lingchuang Fund Management Co., Ltd. (珠海華金領創基金管理有限公司) (“**Huajin Lingchuang**”) holding approximately 0.20% of the partnership interest. Huajin Lingchuang is indirectly wholly owned by Zhuhai Huajin Capital Co., Ltd. (珠海華金資本股份有限公司) (000532.SZ) (“**Huajin Capital**”). As of the Latest Practicable Date, Huajin Lingjian had one limited partner, namely Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership) (珠海華金阿爾法六號股權投資基金合夥企業(有限合夥)) (“**Huajin Alpha**”), holding approximately 99.80% of the partnership interest. The general partner of Huajin Alpha is Zhuhai Huaying Investment Co., Ltd. (珠海鐸盈投資有限公司) (“**Zhuhai Huaying**”), which is wholly owned by Huajin Capital.

Huajin Shangying is a limited partnership established in the PRC. Its general partner is Huajin Lingchuang holding approximately 0.19% of the partnership interest. As of the Latest Practicable Date, Huajin Shangying had two limited partners, namely Zhuhai Huajin Zhishang Business Consulting Partnership (Limited Partnership) (珠海華金智尚商務諮詢合夥企業(有限合夥)) (“**Huajin Zhishang**”) and Zhuhai Huajin Shangying No. 6 Equity Investment Fund Partnership (Limited Partnership) (珠海華金尚盈六號股權投資基金合夥企業(有限合夥)) (“**Shangying No. 6**”), holding approximately 54.05% and 45.75% of the partnership interest, respectively. The general partner of Huajin Zhishang is Zhuhai Huajin Lingchuang Fund Management Co., Ltd. (珠海華金領創基金管理有限公司), which is controlled by Huajin Capital. The general partner of Shangying No. 6 is Zhuhai Huaying.

Huajin Lingchuang is a core private equity investment fund management company under Huajin Capital. Since its establishment, it has initiated and established a number of market-oriented equity investment funds and commenced the business of industrial fund equity investment. It initiated and established medical industry funds such as Huajin Lingfeng, Huajin Lingshang and Huajin Lingjian. The de facto controller of Huajin Capital is the State-owned Assets Supervision and Administration Commission of the Zhuhai Municipal People’s Government (珠海市人民政府國有資產監督管理委員會). Huajin Capital focuses on investment opportunities in growing and mature companies through private equity and mergers and acquisitions investment in strategic emerging industries such as new energy, advanced manufacturing, medical health, and new generation information technology. The investment portfolio of Huajin Capital in the medical and healthcare and related industries include, among others, Bivision Biomedical Technology (Shanghai) Co., Ltd. (晶核生物醫藥科技(上海)有限公司) and Guangdong OptoMedic Technologies, Inc. (廣東歐譜曼迪科技股份有限公司).

Lake Ventures

Jingxin Investment is a limited partnership established in the PRC. Its general partners are Ningbo Zehong Ziyue Investment Management Co., Ltd. (寧波澤泓子悅投資管理有限公司) (“**Lake Ventures**”) and Hainan Jihan Enterprise Management Consulting Partnership (Limited Partnership) (海南吉涵企業管理諮詢合夥企業(有限合夥)) (“**Hainan Jihan**”) holding 0.002% and 0.998% of the partnership interest, respectively. Lake Ventures is owned as to 70% by Mr. Lyu Xiaoxiang (呂曉

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翔) (“**Mr. Lyu**”) and 30% by Ningbo Meishan Bonded Port Zone Zeyue Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區澤悅投資管理合夥企業(有限合夥)), whose general partner is Mr. Lyu holding 99% of the partnership interest. The general partner of Hainan Jihan is Haikou Zeyue Jiexiang Enterprise Management Consulting Co., Ltd. (海口澤悅捷翔企業管理諮詢有限公司) (“**Haikou Zeyue**”) holding 1% of the partnership interest. Haikou Zeyue is owned as to 99% by Mr. Lyu. The largest limited partner of Hainan Jihan is Mr. Lyu holding 79.5% of the partnership interest. As of the Latest Practicable Date, Jingxin Investment had eight limited partners, with the largest limited partner, Guizhou Xinbang Pharmaceutical Co., Ltd. (貴州信邦製藥股份有限公司) (002390.SZ), holding 40% of the partnership interest. No other limited partner of Jingxin Investment held 30% or more of the partnership interest.

Jingxin Investment is managed by Lake Ventures (澤悅創投), which exercises investment decision-making authority over Jingxin Investment. Lake Ventures focuses on investment opportunities in China’s healthcare and wellness sector with approximately RMB1.2 billion of assets under management. It invests in and introduces internationally leading products and technologies into the domestic market, providing more advanced and cost-effective medical products and services to a wide range of healthcare professionals and patients.

Infinity Capital

Infinity Jiuzhou is a limited partnership established in the PRC. Its general partner is Hainan Infinity Jiuzhou Enterprise Management Partnership (Limited Partnership) (海南英飛九州企業管理合夥企業(有限合夥)) (“**Hainan Infinity**”) holding approximately 1.00% of the partnership interest. Hainan Infinity is controlled by Zhuhai Infinity South China Equity Investment Management Co., Ltd. (珠海英飛尼迪華南股權投資管理有限公司) (“**Zhuhai Infinity**”). As of the Latest Practicable Date, Infinity Jiuzhou had four limited partners, with the two largest limited partners, Infinity No. 2 (Zhuhai) Venture Investment Partnership (Limited Partnership) (英飛尼迪貳號(珠海)創業投資合夥企業(有限合夥)) (“**Infinity No. 2**”) and Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司) (600998.SH), holding approximately 33.00% and 32.06% of the partnership interest, respectively. The general partner of Infinity No. 2 is Infinity (Zhuhai) Ventrue Capital Management Co., Ltd. (英飛尼迪(珠海)創業投資管理有限公司), which is controlled by Infinity Equity Management Company Limited (“**Infinity Management**”). Infinity Management is controlled by Zhuhai Science and Technology Industry Group Co., Ltd. (珠海科技產業集團有限公司) (“**Zhuhai Tech Industry Group**”), which is in turn controlled by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People’s Government (珠海市政府國資委). Infinity No. 2 had one limited partner, namely Zhuhai Huashi Zhiyuan Investment Co., Ltd. (珠海華實智遠投資有限公司), holding approximately 99.86% of the partnership interest. No other limited partner of Infinity Jiuzhou held 30% or more of the partnership interest.

Infinity Jiuzhou is an investment arm of Infinity Capital (英飛尼迪資本). Infinity Capital is one of the top Chinese enterprises specializing in investment management and the equity investment platform of Zhuhai Tech Industry Group, a leading state-owned enterprise based in Zhuhai, China. It is an internationally renowned investment management institution with state-owned enterprises and Israeli characteristic resources. Infinity Capital has more than RMB5 billion assets under management. Their portfolio covers sectors of TMT (science and technology, media, communications), healthcare and life sciences, energy conservation and environmental protection, advanced manufacturing and new materials and other areas.

Infinity Zhonghe is a limited partnership established in the PRC. Its general partner is Ms. Zhao Xuemin (趙學敏) (“**Ms. Zhao**”) holding approximately 73.33% of the partnership interest. Ms. Zhao is the chairman of Zhuhai Infinity. As of the Latest Practicable Date, Infinity Zhonghe had one limited partner holding less than 30% of the partnership interest.

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Hongchuang Capital

Hongchuang Haihe is a limited partnership established in the PRC. Its general partner is Tianjin Hongchuang Enterprise Management Consulting Partnership (Limited Partnership) (天津泓創企業管理諮詢合夥企業(有限合夥)) (“**Tianjin Hongchuang**”) holding 1.00% of the partnership interest. The general partner of Tianjin Hongchuang is Beijing Hongchuang Private Fund Management Co., Ltd. (北京泓創私募基金管理有限公司) holding 99.00% of the partnership interest, which is in turn wholly owned by Mr. Lu Xiaobo (陸瀟波) (“**Mr. Lu**”). As of the Latest Practicable Date, Hongchuang Haihe had 14 limited partners, with the largest limited partner, Tianjin Yongtai Haihe Saida Equity Investment Partnership (Limited Partnership) (天津市永欽海河賽達股權投資合夥企業(有限合夥)) (“**Yongtai Haihe**”), holding 40.00% of the partnership interest. Yongtai Haihe is controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Xiqing District, Tianjin (天津市西青區人民政府國有資產監督管理委員會). No other limited partner of Hongchuang Haihe held 30% or more of the partnership interest.

Hongchuang Haihe is managed by Hongchuang Capital (泓創資本), which exercises investment decision-making authority over Hongchuang Haihe. Hongchuang Capital focuses on equity investments in the healthcare and medical sectors, and is controlled by Mr. Lu. Hongchuang Capital has approximately RMB345 million assets under management. Its investment portfolio includes Anhui Tiankai Biotechnology Co., Ltd. (安徽天凱生物科技有限公司) and Zhejiang Smartbeam Technology Co., Ltd. (浙江智束科技有限公司).

VOTING PROXY AND ACTING-IN-CONCERT ARRANGEMENTS

(a) Voting Proxy Arrangement between Dr. Liang and Dr. Liu

On September 30, 2021, Dr. Liang and Dr. Liu entered into a voting proxy agreement, pursuant to which Dr. Liu voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company, with the aim of strengthening Dr. Liang’s consistent leadership and management, ensuring our Company’s long-term stable development, and enhancing the efficiency of decision-making. During the term of the voting proxy agreement, Dr. Liang shall exercise the following rights in his absolute discretion on behalf of Dr. Liu in accordance with the Articles of Association and applicable laws: (i) convene, attend and deliberate at Shareholders’ meetings, (ii) exercise the right to nominate Directors (if any), and (iii) exercise voting rights on all matters requiring Shareholders’ resolutions under the Articles of Association and applicable laws regardless of whether Dr. Liu attends the relevant Shareholders’ meetings. Dr. Liang shall exercise the voting rights diligently and lawfully pursuant to the voting proxy agreement. The voting proxy agreement became effective from the date of execution for an indefinite period until the later of (i) mutual written agreement by both parties to terminate the voting proxy agreement or (ii) the date on which Dr. Liu ceases to hold any equity interest in our Company.

(b) Acting-in-concert and Voting Proxy Arrangements between Dr. Liang and Mr. Tang

On February 1, 2021, Dr. Liang and Mr. Tang entered into an acting-in-concert agreement, pursuant to which Dr. Liang and Mr. Tang agreed to act in concert on all proposals and resolutions presented at Board meetings and Shareholders’ meetings, with the aim of strengthening Dr. Liang’s consistent leadership and management, ensuring our Company’s long-term stable development, and enhancing the efficiency of decision-making. Specifically, Mr. Tang agreed to: (i) consult with Dr. Liang before proposing any major business matters to Board meetings and Shareholders’ meetings and (ii) vote in accordance with the consensus reached with Dr. Liang or delegate his voting rights to Dr. Liang. The acting-in-concert agreement shall automatically terminate upon the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On February 7, 2024, Dr. Liang and Mr. Tang entered into a voting proxy agreement, pursuant to which Mr. Tang voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company, with the aim of strengthening Dr. Liang’s consistent leadership and management, ensuring our Company’s long-term stable development, and enhancing the efficiency of decision-making. During the term of the voting proxy agreement, Dr. Liang shall exercise the following rights in his absolute discretion on behalf of Mr. Tang in accordance with the Articles of Association and applicable laws: (i) convene, attend and deliberate at Shareholders’ meetings and (ii) exercise voting rights on all matters requiring Shareholders’ resolutions under the Articles of Association and applicable laws regardless of whether Mr. Tang attends the relevant Shareholders’ meetings. Dr. Liang shall exercise the voting rights diligently and lawfully pursuant to the voting proxy agreement. The voting proxy agreement became effective from the date of execution until the earlier of (i) the [REDACTED] or (ii) the date on which Mr. Tang ceases to hold any equity interest in our Company.

PUBLIC FLOAT AND FREE FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, the market capitalization of our Shares upon the [REDACTED] is expected to be less than HK\$[REDACTED] irrespective of the low-end, mid-point or high-end of the [REDACTED], and therefore the minimum prescribed public float percentage applicable to our H Shares is [REDACTED]% in each case.

Immediately upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the conversion of Unlisted Shares into H Shares, the [REDACTED] H Shares (taking into account the Share Subdivision) held by Dr. Liang, Dr. Liu and Highlightll Enterprise Management, representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), will not be counted towards the public float since they are, or directly or indirectly controlled by, our core connected persons. To the best knowledge of our Director, save as disclosed above, immediately upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), [REDACTED] H Shares (taking into account the Share Subdivision) held or controlled by our Shareholders who are not our core connected persons, representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), will be counted towards the public float, which is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

Immediately upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low-end of the [REDACTED]), the expected market value of the H Shares held by the public and not subject to disposal restrictions will be approximately HK\$[REDACTED], representing approximately [REDACTED]% of our total issued Shares upon the [REDACTED]. As such, we will be able to satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

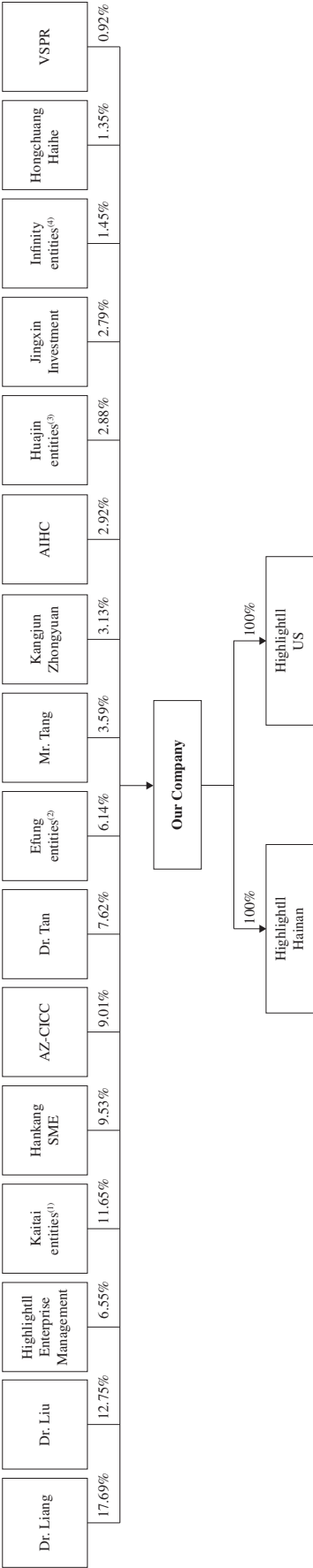
The table below sets out the capitalization of our Company as of the Latest Practicable Date and immediately upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):

Shareholder	As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] (taking into account the Share Subdivision and assuming that the [REDACTED] is not exercised)		
	Number of Unlisted Shares held	Approximate ownership percentage	Number of H Shares held	Number of Unlisted Shares held	Approximate ownership percentage
		(%)			(%)
Dr. Liang	3,766,667	17.69	[REDACTED]	[REDACTED]	[REDACTED]
Dr. Liu	2,715,931	12.75	[REDACTED]	[REDACTED]	[REDACTED]
Highlightll Enterprise Management	1,394,482	6.55	[REDACTED]	[REDACTED]	[REDACTED]
<i>Kaitai Capital</i>					
Kaitai Hongde	882,353	4.14	[REDACTED]	[REDACTED]	[REDACTED]
Kaitai Chengde	735,294	3.45	[REDACTED]	[REDACTED]	[REDACTED]
Kaitai Ruide	735,294	3.45	[REDACTED]	[REDACTED]	[REDACTED]
Jinyuan Kaitai	130,721	0.61	[REDACTED]	[REDACTED]	[REDACTED]
<i>Sub-total:</i>	<u>2,483,662</u>	<u>11.66</u>	[REDACTED]	[REDACTED]	[REDACTED]
Hankang SME	2,030,190	9.53	[REDACTED]	[REDACTED]	[REDACTED]
AZ-CICC	1,919,505	9.01	[REDACTED]	[REDACTED]	[REDACTED]
Dr. Tan	1,623,505	7.62	[REDACTED]	[REDACTED]	[REDACTED]
<i>Efung Capital</i>					
Efung Ninth	529,412	2.49	[REDACTED]	[REDACTED]	[REDACTED]
Efung Xiangkang	483,662	2.27	[REDACTED]	[REDACTED]	[REDACTED]
Efung Investment	294,118	1.38	[REDACTED]	[REDACTED]	[REDACTED]
<i>Sub-total:</i>	<u>1,307,192</u>	<u>6.14</u>	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Tang	764,735	3.59	[REDACTED]	[REDACTED]	[REDACTED]
Kangjun Zhongyuan	667,522	3.13	[REDACTED]	[REDACTED]	[REDACTED]
AIHC	622,783	2.92	[REDACTED]	[REDACTED]	[REDACTED]
<i>Huajin Capital</i>					
Huajin Lingjian	604,495	2.84	[REDACTED]	[REDACTED]	[REDACTED]
Huajin Shangying	7,549	0.04	[REDACTED]	[REDACTED]	[REDACTED]
<i>Sub-total:</i>	<u>612,044</u>	<u>2.87</u>	[REDACTED]	[REDACTED]	[REDACTED]
Jingxin Investment	594,030	2.79	[REDACTED]	[REDACTED]	[REDACTED]
Infinity Jiuzhou	306,022	1.44	[REDACTED]	[REDACTED]	[REDACTED]
Infinity Zhonghe	3,060	0.01	[REDACTED]	[REDACTED]	[REDACTED]
Hongchuang Haihe	288,323	1.35	[REDACTED]	[REDACTED]	[REDACTED]
VSPR	196,075	0.92	[REDACTED]	[REDACTED]	[REDACTED]
<i>Sub-total:</i>	<u>21,295,728</u>	<u>100.00</u>	[REDACTED]	[REDACTED]	[REDACTED]
Investors participating in the [REDACTED]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Total.	<u>21,295,728</u>	<u>100.00</u>	[REDACTED]	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The chart below sets out our Group’s corporate and shareholding structure immediately before the completion of the [REDACTED].



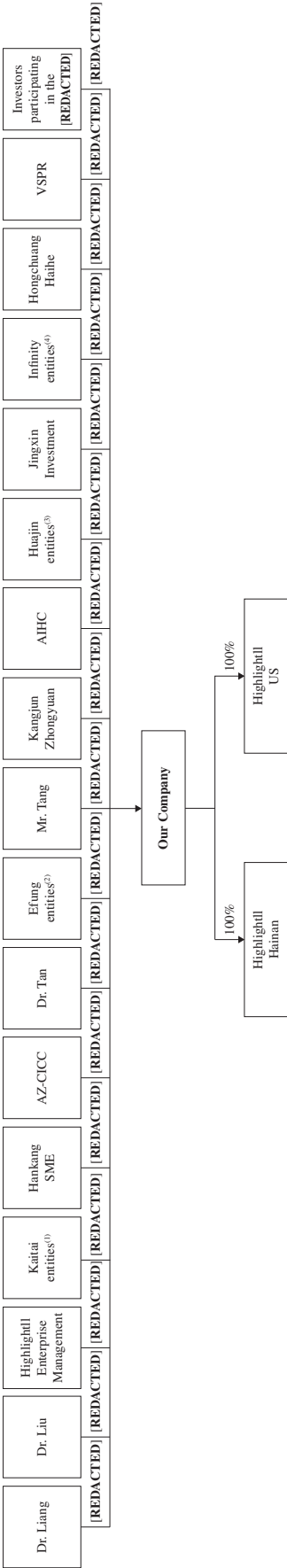
Notes:

- (1) Kaitai entities include Kaitai Hongde, Kaitai Chengde, Kaitai Ruide and Jinyuan Kaitai. For details of their respective shareholding in our Company, see “— Capitalization of Our Company” above.
- (2) Efung entities include Efung Ninth, Efung Xiangkang and Efung Investment. For details of their respective shareholding in our Company, see “— Capitalization of Our Company” above.
- (3) Huajin entities include Huajin Lingjian and Huajin Shangying. For details of their respective shareholding in our Company, see “— Capitalization of Our Company” above.
- (4) Infinity entities include Infinity Jiuzhou and Infinity Zhonghe. For details of their respective shareholding in our Company, see “— Capitalization of Our Company” above.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The chart below sets out our Group’s corporate and shareholding structure immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised).



Notes (1) to (4): See notes (1) to (4) to the chart in “— Corporate and Shareholding Structure Immediately before the Completion of the [REDACTED]” above.

BUSINESS

OVERVIEW

We are a clinical-stage biotechnology company focused on the discovery, development, and commercialization of autoimmune/inflammatory disease therapeutics. Focused on the development of small-molecule therapies, we have built a differentiated asset portfolio that spans diverse autoimmune and neurodegenerative indications, and comprises four clinical-stage candidates and multiple preclinical candidates. Our Core Product, TLL-018 (girocitinib), together with TLL-041 and TLL-009, are the world’s only highly selective TYK2/JAK1 inhibitors. For TLL-018, we are currently conducting two Phase III registrational trials in China for chronic spontaneous urticaria (“CSU”) and rheumatoid arthritis (“RA”), with plans to submit NDA for RA by the end of 2026 and for CSU in the first quarter of 2027. In addition, we discovered TLL-041 in-house, the first and only selective TYK2/JAK1 inhibitor globally reported to achieve brain penetration for neurodegenerative applications, according to Frost & Sullivan.

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

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

BUSINESS

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

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

★ Core Product Autoimmune Disease Therapies Neurodegenerative Disease Therapies

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

BUSINESS

Notes:

1. Within our autoimmune franchise, we have discovered TLL-009, a TYK2/JAK1 inhibitor which we have out-licensed to Shanghai Tenovation Biopharmaceutical Co., Ltd (“**Tenovation**”) for its development and commercialization in veterinary applications. See “Business — Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Tenovation for TLL-009” for details.
2. Within our neurodegenerative franchise, TLL-041, HL-400 and HL-500 are separate and distinct drug candidates targeting Parkinson’s disease, with different molecular profiles, distinct mechanism of action, and independent development pathways. Each drug candidate targets a separate biological pathway and is being advanced to assess its individual therapeutic contribution. If successfully developed, these candidates may be used as combination, reflecting their complementary mechanisms and the potential for synergistic therapeutic effects. The clinical trials conducted or to be conducted by Biohaven or us for TLL-041 are designed specifically for that product candidate and are not intended to support, and will not be relied upon by, us for the research, development or regulatory advancement of HL-400 or HL-500. Each of HL-400 and HL-500 will be advanced based on its own non-clinical and clinical data package generated independently by us.
3. For TLL-018, we completed two Phase I clinical trials in healthy subjects in the United States and China in December 2020 and November 2021, respectively. Following completion of these Phase I trials, we prioritized the clinical development of TLL-018 in rheumatoid arthritis (RA) and chronic spontaneous urticaria (CSU) in China. The Phase Ib clinical trial in CSU and the Phase IIa clinical trial in RA, each conducted and completed in China in August 2023 and December 2023, respectively, were standalone clinical trials conducted under separate and independent clinical trial protocols, each of which obtained separate IND approvals from the NMPA. Following completion of these trials and based on the safety, tolerability, pharmacokinetic and preliminary efficacy data generated therefrom, we engaged in end-of-Phase II (EOP2) communications with the CDE of the NMPA and subsequently initiated Phase III registrational trials for RA and CSU in China in November 2023 and March 2024, respectively.

Building on (i) the safety, tolerability and pharmacokinetic data from the Phase I clinical trials in healthy subjects in China and the United States, and (ii) the dose exploration and clinical experience accumulated from the clinical development of TLL-018 in CSU and RA, we believe there is a scientific and clinical basis to support an accelerated development strategy for atopic dermatitis (AD) in China. Accordingly, we submitted an IND application to the NMPA in February 2026 for a Phase II/III registrational trial of TLL-018 in moderate-to-severe AD and received IND approval in May 2026. We expect to initiate such trial in the second quarter of 2026. In parallel, we are also planning indication expansion of TLL-018 into systemic lupus erythematosus (SLE). Prior to initiating any registrational Phase II/III clinical trials for TLL-018 in SLE, we will be required to complete the relevant regulatory communications with the NMPA and obtain the necessary regulatory approvals.
4. For TLL-041, we submitted an IND application to the FDA in November 2022 and received approval in March 2023. In the same month, we entered into a license and development agreement with Biohaven (the “**Biohaven Agreement**”), pursuant to which we granted Biohaven an exclusive, royalty-bearing and sublicensable license to research, develop, manufacture and commercialize TLL-041/BHV-8000 outside Greater China while we retain the full rights to research, develop, manufacture and commercialize TLL-041/BHV-8000 in Greater China. Pursuant to this arrangement, we transferred sponsorship of the FDA IND to Biohaven in April 2023.

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

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

We plan to participate in Biohaven’s global registrational program in Parkinson’s disease. In December 2025, we submitted the clinical protocol for this registrational trial to the NMPA and are currently awaiting feedback. Following positive top-line results, Biohaven will, at our request, submit the marketing approval application in China and, upon approval, transfer the marketing authorization to us. In parallel, we also plan to advance TLL-041 into a Phase II clinical trial in Alzheimer’s disease in China to address the unmet medical need in this patient population, and expect to submit IND for this trial in the third quarter of 2026. See “— Our Material Collaboration and Licensing Arrangements” for details.
5. Our near-term commercial focus is primarily on the China market, while our long-term strategy is to develop innovative therapies with global potential and selectively pursue globalization opportunities where commercially and strategically appropriate. In this regard, we believe that conducting certain early-stage clinical trials in the United States can efficiently establish an initial global clinical development foundation while remaining relatively cost-effective at the Phase I stage. In addition, the U.S. FDA generally adopts a relatively flexible and innovation-supportive approach toward first-in-human and early-stage clinical trials for novel product candidates, such as novel JAK inhibitor applications and NLRP3-targeting therapies, provided that subject safety is adequately supported. Accordingly, conducting Phase I clinical trials in the United States, including for TLL-018 and HL-400, enables us to generate initial human safety, tolerability and pharmacokinetic data that may facilitate subsequent clinical development in China and, where suitable opportunities arise, other jurisdictions in the future. As of the Latest Practicable Date, we do not have any near-term commercialization plans in the United States or other overseas jurisdictions and, accordingly, do not have any near-term plans to independently conduct Phase II or III clinical development activities for our drug candidates in such jurisdictions.

BUSINESS

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

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

The global autoimmune disease drug market has demonstrated steady and resilient growth, expanding from US\$120.6 billion in 2020 to US\$154.9 billion, and is projected to reach US\$218.8 billion by 2030 and US\$272.8 billion by 2035, representing a forecasted CAGR of 7.2% from 2025 to 2030 and 4.5% from 2030 to 2035. This sustained market expansion, coupled with the increasing demand for targeted, orally available therapies, underscores the significant commercial opportunity for differentiated candidates such as TLL-018. As of the Latest Practicable Date, TLL-018 is undergoing two Phase III registrational trials in CSU and RA in China, with expected NDA submissions for RA by the end of 2026 and for CSU in the first quarter of 2027. The primary efficacy analysis for the Phase III CSU trial was performed in January 2026, and the trial met both primary endpoints. On this basis, we submitted pre-NDA and priority review applications for TLL-018 for the treatment of CSU to the NMPA in January 2026. The primary efficacy analysis for the Phase III RA trial was performed in April 2026, and the trial met its primary endpoint and all secondary endpoints. Further, building on the completion of Phase I clinical trials in healthy subjects in both China and the United States, together with the dose exploration foundation established in clinical trials of TLL-018 for CSU and RA, we intend to proceed directly to a Phase II/III registrational trial in China for moderate-to-severe AD in the second quarter of 2026, for which IND approval was obtained in May 2026. In parallel, we are planning for indication expansion of TLL-018 for systemic lupus erythematosus (“SLE”), with IND approval obtained in August 2023.

BUSINESS

The clinical performance of TLL-018 is underpinned by its dual inhibition of JAK1 and TYK2, combined with our novel H-donor-free molecular design. TYK2 and JAK1 are clinically validated targets that regulate distinct but complementary inflammatory pathways: JAK1 inhibition reduces signaling of pro-inflammatory cytokines such as IL-6 and IFN- γ , while TYK2 is critical for the production of IL-17, IL-23, IFN- α and IFN- β . In multiple autoimmune diseases, including RA, CSU, PsA and SLE, both pathways contribute to disease pathogenesis, providing strong scientific rationale for dual inhibition. Leveraging a novel H-donor-free molecular design, TLL-018 achieves over 200-fold selectivity for TYK2 and JAK1 over JAK2 and JAK3 — representing a significant advance in selectivity for JAK inhibitors.

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

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

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

Designed to address immune-mediated pathology in the central nervous system (CNS), TLL-041 offers a novel mechanism to counter chronic neuroinflammation — a key driver of neuronal dysfunction and degeneration in conditions such as Parkinson’s disease and Alzheimer’s disease. By inhibiting TYK2- and JAK1-mediated signaling triggered by type I and II interferons (IFN- α , IFN- β , IFN- γ) and the IL-23/IL-17 axis, TLL-041 suppresses Th17 cell generation, attenuates type I IFN responses, and reduces downstream microglial activation and chemokine-driven T-cell recruitment into the CNS — critical steps implicated in neurodegenerative injury.

TLL-041 is engineered with a proprietary H-donor-free scaffold that enables effective CNS delivery. Preclinical studies confirmed remarkable drug concentrations in brain tissue and cerebrospinal fluid following oral administration, as well as dose-dependent neuroprotective effects in a human neuronal model of dsRNA-induced neuroinflammation. Kinase profiling across 358 human kinases demonstrated over 20-fold selectivity for TYK2 and JAK1 over JAK2 and JAK3, with minimal off-target activity, supporting a differentiated safety profile that avoids the hematologic and immunosuppressive risks associated with broader JAK inhibition.

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

BUSINESS

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

OUR STRENGTHS

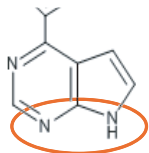
A Key Player in Global Innovation for Autoimmune and Neurodegenerative Drug Development

We are among the key players globally in developing novel therapies for autoimmune and neurodegenerative diseases, grounded in three strategic pillars: our proprietary kinase inhibitor platform; end-to-end discovery capabilities that drive sustainable clinical pipeline; and a differentiated clinical development strategy strengthened by strategic global collaborations. Our platform enables the design of highly selective and/or brain-penetrant compounds that achieve precise immune modulation and CNS delivery. This capability has allowed us to build a pipeline with broad indication expandability, first-mover advantage, and commercial promise. This is further reinforced by our global clinical execution and strategic partnerships, accelerating the path from discovery to real-world impact. Together, these pillars position us at the forefront of a new era in immunology and neuroscience.

- **Proprietary kinase inhibitor platform enabling design of highly selective and/or brain-penetrant kinase inhibitors.** Leveraging unique chemical scaffold design, our kinase inhibitor platform enables the development of kinase inhibitors for high selectivity (as exemplified by our drug candidates TLL-018, TLL-041, TLL-009, and HL-500) and brain penetration (as exemplified by our drug candidates TLL-041 and HL-500). High selectivity minimizes off-target interactions and enables precise modulation of dysregulated immune pathways in autoimmune diseases, reducing toxicity and avoiding broad immunosuppression in a safe and targeted approach. Enhanced brain penetration ensures effective delivery of kinase inhibitors to the CNS across blood-brain barrier, supporting consistent and sustained clinical response within the brain or spinal cord. This integrated platform approach provides a strong foundation for the systematic development of differentiated therapies across both autoimmune and neurodegenerative indications.

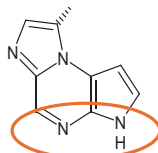
Our Proprietary Kinase Chemistry Platform

Classic kinase scaffold leads to poor selectivity



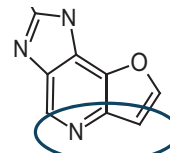
Tofacitinib, ruxolitinib,
baricitinib, ivarmacinib

Tricycle classic kinase scaffold improved selectivity

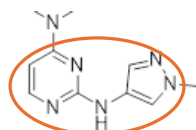


Upadacitinib,
LNK01001, QY201

Novel kinase scaffold optimizes selectivity



Removal of the H-donor
leads to higher selectivity and
brain penetration: TLL-018,
TLL-041, TLL-009, HL-500



Brepocitinib, DNL151
(general kinase scaffold)

BUSINESS

- ***Discovery capabilities driving efficient progression from early discovery to clinical development.*** Our discovery capabilities support the efficient advancement of drug candidates from early discovery to clinical development: within just five years, our team of 4 to 15 scientists and associates synthesized and screened about 1,000 compounds, identifying four candidates for clinical development, which represents an exceptional efficiency of approximately 10 FTE years per IND. Building on this strong foundation, our self-developed Core Product TLL-018 stands out as the most clinically advanced highly-selective TYK2/JAK1 inhibitor globally, with two Phase III registrational trials for RA and CSU are ongoing in China. We expect to submit NDA to the NMPA for TLL-018 for RA by the end of 2026 and for CSU in the first quarter of 2027, respectively. Our commitment to innovation extends beyond our core kinase chemistry platform, as exemplified by our development of HL-400, a non-kinase targeting inhibitor for the treatment of systemic and/or CNS diseases.
- ***Differentiated clinical development strategy coupled by global collaboration optimizing therapeutic potential.*** Our in-house clinical development team implements a carefully delineated clinical development strategy to optimize therapeutic potential and achieve product differentiation across autoimmune and CNS indications. We were the first to initiate a clinical trial evaluating a JAK inhibitor, TLL-018, in CSU, where we observed promising efficacy. We also conducted the first head-to-head trial comparing JAK inhibitors in RA, demonstrating the superior clinical benefit of TLL-018 over tofacitinib. Furthermore, TLL-041 is the first known JAK inhibitor to enter clinical development for Parkinson’s disease, further highlighting the nimbleness and innovation in our clinical development across inflammatory and neurodegenerative disorders. Our clinical programs are structured to support multi-indication advancement and/or therapeutic differentiation, enabling us to efficiently expand our portfolio into disease areas with high unmet needs and limited competition. We also leverage our global partnerships with leading biopharmaceutical companies to accelerate the market reach of our drug candidates, exemplified by our out-licensing and collaboration with Biohaven for TLL-041.

Leveraging our three strategic pillars, we are committed to developing novel therapies for systemic autoimmune diseases, as well as brain-penetrant compounds for neurodegenerative diseases — an exceptionally challenging achievement that differentiates us from most competitors. The global and China’s autoimmune disease drug market has experienced steady and resilient growth in recent years and the upward trend is expected to continue. Meanwhile, neurodegeneration, primarily characterized by neuron loss, is a pivotal pathophysiological change in most brain-related disorders and a major health concern affecting millions of people worldwide. Despite widespread development of biologics and small-molecule therapies, challenges such as limited target selectivity and ineffective CNS drug delivery persist. Specifically, the highly effective blood-brain barrier remains a significant obstacle to the successful management of neurodegenerative disorders. As demand for safer, more effective treatments continues to grow, we believe our targeted innovation approach supports strong clinical relevance and commercial scalability across both autoimmune and neurodegenerative markets.

Advanced Molecule Design Platform and Capabilities Enabling Breakthroughs in Autoimmune and Neurodegenerative Drug Development

We leverage our advanced molecular design platform and discovery capabilities to push the boundaries in the treatment of autoimmune and neurodegenerative diseases. Our proprietary platform integrates core disciplines in medicinal chemistry, computational modeling, and quantum chemistry. Notably, a key innovation of our kinase platform is the strategic removal of a H-donor from the core structure of our drug candidates, a feature commonly present in conventional kinase inhibitors such as tofacitinib, baricitinib and upadacitinib, which enables enhanced kinase selectivity and facilitates CNS penetration.

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Our proprietary molecule design technology is versatile and platform-based, which has already been applied in the development of our pipeline candidates. For example, TLL-018 achieves an IC₅₀ of 4 nM for JAK1 and 5 nM for TYK2 while exceeding 1,000 nM for JAK2 and JAK3, resulting in over 200-fold selectivity — substantially higher than that of approved reference products. This selectivity may translate into improved safety: no off-target effects or unexpected adverse events have been observed in clinical trials as of the Latest Practicable Date.

Furthermore, the removal of H-donor group facilitates CNS penetration, as evidenced by TLL-041 and HL-500, which have demonstrated effective blood-brain barrier permeability and are being developed for neurodegenerative indications. In a completed Phase I clinical trial conducted by Biohaven, TLL-041/BHV-8000 pharmacokinetics demonstrated effective brain penetration with cerebrospinal fluid (CSF)/plasma ratio of approximately 50%, providing sustained coverage above TYK2 and JAK1 IC₅₀ at clinical doses. Collectively, this design strategy supports differentiated preclinical and clinical performance across both autoimmune and CNS diseases, validating the translational and commercial potential of our pipeline.

Looking forward, this versatile platform has the potential to be further applied to indications including broad range of autoimmune diseases (both systemically and centrally), gout and diabetes, continuously supporting pipeline expansion and enhancing the scalability and efficiency of our R&D efforts.

An Innovator in Autoimmune Disease Therapies with an Established Kinase Inhibitor Portfolio Highlighted by Our Core Product TLL-018

We are an innovator in the development of targeted therapies for autoimmune diseases, supported by a differentiated pipeline anchored by kinase inhibitors. Our portfolio includes the clinically advanced TLL-018 — currently undergoing Phase III registrational trials for CSU and RA in China — as well as HL-300 in Phase I development and preclinical asset HL-450 and TLL-009. These candidates reflect our strategic focus on precise immune modulation and indication scalability, positioning us to address unmet medical needs across multiple autoimmune indications.

TLL-018 (girocitinib), our Core Product

TLL-018 (girocitinib), our Core Product, is a highly selective TYK2/JAK1 inhibitor, in Phase III clinical development for CSU and RA. TYK2 and JAK1 are both clinically validated targets with approved drugs on the markets. They regulate distinct inflammatory signaling pathways: JAK1 inhibition reduces the signaling of pro-inflammatory cytokines including IL-6 and IFN- γ , while TYK2 is critical for the production of inflammatory cytokines including IL-17, IL-23, IFN- α and IFN- β . Notably, mechanistic and clinical evidence indicates that in multiple inflammatory and autoimmune diseases such as RA, CSU and SLE, both JAK1- and TYK2-regulated cytokine pathways contribute to disease pathogenesis, highlighting the scientific rationale and advantages of dual inhibition. By synergistically targeting both, TLL-018 offers three key advantages over inhibitors that target only JAK1: (i) it blocks IL-23 signaling, a pathway implicated in diseases such as PsA, inflammatory bowel disease, lupus, RA and potentially CSU; (ii) it provides better inhibition of key cytokines IL-6 (implicated in RA) and IL-13 (implicated in AD); and (iii) it provides better inhibition of IFN- γ , IFN- α , IFN- β , which play critical roles in PsA and lupus. Therefore, TLL-018 has the potential to achieve a promising therapeutic efficacy across multiple autoimmune diseases.

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The following table sets forth autoimmune diseases implicated by both JAK1- and TYK2-regulated cytokines with clinical evidence.

Indication	Cytokines regulated by JAK1	Cytokines regulated by TYK2	Clinical evidence
RA	IL-6, IL-13, IL-4, IL-7, IL-10, IL-15, IL-21	IL-12, IL-23, IL-17	JAKi approved, Secukinumab (IL-17) is efficacious in Phase 3
PsA	IL-6, IL-22, IFN- γ	IL-12, IL-23, IL-17, IFN- α , IFN- β	Both JAK1 inhibitor (Upadacitinib, approved) and TYK2 inhibitor (deucravacitinib, likely to be approved) are efficacious
UC, CD	IL-6, IL-10, IL-13, IL-15, IL-21	IL-12, IL-23, IL-17	Both Upadacitinib (JAK1) and Ustekinumab (IL-23) are standard 2 nd line therapies in UC
SLE	IL-6, IL-4, IL-10, IL-21	IL-12, IL-23, IL-17, IFN- α , IFN- β	Anifrolumab (IFN α , IFN β) is efficacious; Both JAK1 inhibitor (Upadacitinib) and TYK2 inhibitor (deucravacitinib) are efficacious in Phase 2 trials and in Phase 3

In addition, TLL-018 features a novel H-donor-free molecular design that confers over 200-fold selectivity for JAK1 and TYK2 over JAK2 and JAK3. This design enables TLL-018 to offer high selectivity, with the potential for enhanced efficacy and superior safety profile in the dual inhibition of TYK2 and JAK1.

TLL-018 is currently in clinical development for multiple indications, with NDA submissions for its first two indications anticipated in 2026 and 2027:

- **CSU.** We initiated the Phase III clinical trial for TLL-018 in patients with moderate-to-severe CSU who had inadequate control to second generation H1-antihistamines in China in March 2024, with patient enrollment completed in July 2025. The primary efficacy analysis for the Phase III CSU trial was performed in January 2026, and the trial met both primary endpoints. On this basis, we submitted pre-NDA and priority review applications for TLL-018 for the treatment of CSU to the NMPA in January 2026. We expect to submit NDA to the NMPA in the first quarter of 2027.
- **RA.** We initiated the Phase III clinical trial for TLL-018 in patients with active RA who had inadequate response or intolerance to biologic DMARDs in China in November 2023, with patient enrollment completed in July 2025. The primary efficacy analysis for this trial was performed in April 2026, and the trial met its primary endpoint and all secondary endpoints. TLL-018 demonstrated superior efficacy over tofacitinib in terms of the primary endpoint and key secondary endpoints ($P < 0.0001$). We expect to submit NDA to the NMPA by the end of 2026.
- **AD and SLE.** Building on the completion of Phase I clinical trials in healthy subjects in both China and the United States, together with the dose exploration foundation established in clinical trials of TLL-018 for chronic spontaneous urticaria and rheumatoid arthritis, we intend to proceed directly to a Phase II/III registrational trial in China for atopic dermatitis in the second quarter of 2026, for which IND approval was obtained in May 2026. Leveraging the existing safety, tolerability, and pharmacokinetic data, as well as disease specific dose finding results, we believe there is a strong scientific and clinical rationale to support this accelerated development pathway under the NMPA’s regulatory framework. In parallel, we are planning for indication expansion of TLL-018 for SLE, with IND approval obtained in August 2023. We expect to initiate a clinical trial for SLE in the third quarter of 2027.

TLL-018 is the world’s first JAK inhibitor to show promising efficacy in CSU, according to Frost & Sullivan, as evidenced by results from its Phase Ib clinical trial in patients with moderate-to-severe CSU. Patients treated with TLL-018 experienced a rapid and significant reduction in Itch Severity Score (ISS7) even at low doses and notable improvements in UAS7,

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suggesting its effective control of itching and reduction in symptoms. TLL-018 was also well-tolerated with no serious adverse event reported. Furthermore, TLL-018 offers convenience in administration and a fast onset of action. These findings highlight TLL-018’s potential as a promising treatment option for CSU.

TLL-018 demonstrated a favorable efficacy and safety profile in its Phase IIa clinical trial in patients with active RA. The trial is designed as a head-to-head comparison with tofacitinib, a first-generation JAK inhibitor recommended in 2023 China Rheumatoid Arthritis Treatment Guidelines and American College of Rheumatology (ACR) Guideline for the Treatment of Rheumatoid Arthritis. Tofacitinib was approved by the FDA in 2012 and by the NMPA in 2017 for RA and subsequently for other autoimmune diseases, remaining the market leader among small-molecule targeted RA therapies in China. In this Phase IIa clinical trial, the ACR50 response rate, the primary endpoint, was 48.0%, 65.4% and 72.0% in the TLL-018 10mg, 20mg and 30mg groups, respectively, compared to 41.7% in the tofacitinib 5mg group. The 20mg and 30mg TLL-018 groups demonstrated statistically significant improvements over tofacitinib ($P<0.05$). Notably, TLL-018 showed efficacy in patients who had previously failed tofacitinib treatment. The trial evidenced a favorable safety profile for TLL-018, where the incidence of adverse event was 79.2% for the tofacitinib group and 80.5% for all TLL-018 groups combined, with no unexpected safety signals including no adverse cardiovascular events or malignancies reported. The results of the Phase IIa clinical trial for TLL-018 were selected for a Late-breaking Oral Presentation at the EULAR 2023 European Congress of Rheumatology, underscoring strong recognition from the international rheumatology community.

In addition to CSU and RA, preclinical studies for TLL-018 have shown promising therapeutic potential in AD and SLE. In an oxazolone-induced AD model, mice receiving oral administration of TLL-018 demonstrated statistically significant thinning of skin thickness. Moreover, the clinical score, a cumulative score for skin redness, skin erosion and skin scaling which represent the severity of dermatitis, was significantly lower in the TLL-018 treated group than in the control group, suggesting a marked suppression of dermatitis severity. These findings demonstrate TLL-018’s strong potential as a treatment for AD. In a NZBW/F1J SLE mouse model, the administration of TLL-018 in mice significantly reduced clinical disease parameters, including proteinuria scores, serum anti-dsDNA antibodies, kidney weight and spleen weight, as well as histopathological disease parameters, demonstrating its potential in treating SLE.

TLL-018 stands out for its highly selective dual inhibition of TYK2 and JAK1, favorable safety profile, and encouraging clinical efficacy, positioning it as a promising candidate for the treatment of autoimmune diseases. As of the Latest Practicable Date, six JAK inhibitors are approved globally for RA, including five available in China. TLL-018 has demonstrated superior efficacy in head-to-head Phase IIa and Phase III trials against tofacitinib, and its Phase III registrational trial for the treatment of RA is the world’s first registrational Phase III head-to-head trial in RA to directly compare TLL-018 with another JAK inhibitor, according to Frost & Sullivan. As of the Latest Practicable Date, no therapy has been approved for patients who have failed both biological disease-modifying anti-rheumatic drugs and JAK inhibitors — representing a difficult to treat population with significant unmet medical need. TLL-018 is being evaluated in an ongoing Phase III clinical trial and has the potential to demonstrate efficacy in this patient group. For CSU, no JAK inhibitors have received regulatory approval globally to date. As the first and most clinically advanced highly selective TYK2/JAK1 inhibitor in CSU, TLL-018 is well positioned in a large and underserved market with high unmet clinical needs.

See “— Our Autoimmune Franchise” for details of other drug candidates, including HL-300 in Phase I development and preclinical assets HL-450 and TLL-009.

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Differentiated Neuroinflammation Disease Pipeline

We have established a differentiated neurodegenerative disease pipeline comprising clinical-stage assets TLL-041 and HL-400, along with the selected preclinical asset HL-500, all of which feature excellent blood-brain barrier penetration. Built on our proprietary kinase inhibitor platform, these assets are designed to overcome long-standing barriers in neuroinflammation. This strategic focus underscores our commitment to advancing transformative therapies that could reshape the landscape of neurodegenerative disease treatment.

TLL-041

TLL-041 is the world’s first and only brain-penetrant, highly selective TYK2/JAK1 inhibitor developed for neurodegenerative conditions, with the potential to redefine clinical outcomes in this challenging area. Inflammation is increasingly recognized as a key driver in the pathogenesis of neurodegenerative diseases, with growing evidence showing that interrupting chronic inflammation may slow disease progression. In the CNS, microglia, astrocytes, lymphocytes and other leukocytes are cellular drivers in neuroinflammation that release a variety of proinflammatory cytokines such as IFN- γ , IFN- α , IFN- β , IL-6, IL-17 and IL-23, which activate downstream JAK-STAT signaling pathways and ultimately lead to neuronal death and neurodegeneration. This provides a compelling rationale for targeting TYK2 and JAK1, two critical signaling molecules in these cytokine pathways. By selectively inhibiting TYK2 and JAK1, TLL-041 is designed to block both the type I interferon and IL-23/IL-17 axes, thereby reducing microglial activation, limiting recruitment of peripheral T cells into the CNS, and suppressing the release of neurotoxic cytokines.

The therapeutic rationale for targeting these pathways is further supported by large-scale real-world epidemiologic evidence. A real-world analysis of the Komodo Health database commissioned and supported by Biohaven, encompassing over 320 million patients and more than eight years of longitudinal data, found that individuals treated with anti-TNF or anti-IL-17 therapies had a statistically significant reduction in the incidence of Parkinson’s disease compared to untreated populations. This population-level signal aligns with the neuroinflammatory hypothesis and supports the potential of cytokine-pathway inhibition to modify Parkinson’s disease risk and progression. In preclinical α -synuclein overexpression models, TLL-041 reduced IL-6 levels in substantia nigra and striatal tissue, mitigated microglial activation, rescued dopaminergic neurons, and improved motor performance. Together, these mechanistic, epidemiologic, and translational data support the development of TLL-041 as a brain-penetrant TYK2/JAK1 inhibitor for the treatment of Parkinson’s disease.

TLL-041 is engineered using a proprietary H-donor-free chemical scaffold that enables effective CNS delivery. Results from its Phase I clinical trial conducted by Biohaven demonstrate confirmed brain penetration and target engagement, supporting its pharmacological relevance for CNS-directed indications.

Selectivity profiling conducted across a comprehensive panel of 358 human kinases confirmed that TLL-041 selectively inhibits TYK2 and JAK1 while sparing JAK2 and JAK3, and further exhibits minimal activity against other kinases tested. This favorable selectivity profile supports a differentiated safety margin by reducing the risk of hematologic and immunosuppressive toxicities commonly associated with broader JAK inhibition. These attributes collectively position TLL-041 as a promising candidate for the treatment of Parkinson’s disease and Alzheimer’s disease via a novel mechanism of action centered on immune modulation and neuroinflammation suppression.

We entered into a license and development agreement with Biohaven in March 2023, representing the one of the largest transactions in China’s neurodegenerative sector by total deal value as of the Latest Practicable Date. Under the terms of the agreement, we granted Biohaven an exclusive, royalty-bearing, and sublicensable license to research, develop, manufacture, and commercialize TLL-041 outside Greater China. Biohaven has since completed a Phase I clinical trial in the United States with encouraging results and initiated a Phase II/III registrational study in

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early Parkinson’s disease in May 2025, representing the first known application of a TYK2/JAK1 inhibitor in neurodegeneration and a significant milestone in the evolution of targeted therapies for CNS disorders. In August 2025, we received the first milestone payment of US\$15 million in connection with this program. In China, we initiated the pharmacokinetic bridging study for TLL-041 in December 2025 and completed this study in March 2026. As the next step, we plan to participate in Biohaven’s global registrational program in Parkinson’s disease. In December 2025, we submitted the clinical protocol for this registrational trial to the NMPA, and are currently awaiting feedback.

TLL-041 has demonstrated promising blood-brain barrier permeability and high kinase selectivity in preclinical studies, supporting its therapeutic potential for neurodegenerative diseases. Following oral administration in mouse and rat models, TLL-041 achieved remarkable concentrations in both brain tissue and cerebrospinal fluid, confirming CNS exposure for neuroinflammatory applications. In a human neuronal model of dsRNA-induced neuroinflammation, TLL-041 exhibited dose-dependent neuroprotective effects, significantly rescuing neurons from cell death triggered by dsRNA transfection. It also effectively inhibited STAT1 phosphorylation, a downstream marker of type I interferon signaling through TYK2/JAK1, consistent with its ability to modulate non-cell-autonomous type I interferon responses within the CNS.

As disclosed by Biohaven, TLL-041 demonstrated a favorable biomarker results and safety profile in its Phase I clinical trial. TLL-041 has been safe and well-tolerated, with no reported serious adverse events and no clinically meaningful adverse trends in laboratory values. It has demonstrated target engagement with significant reductions in TYK2- and JAK1-related inflammatory biomarkers (e.g., IP-10, hsCRP, IFN- β) relative to placebo. In addition, TLL-041 pharmacokinetics demonstrated brain penetration with cerebrospinal fluid (CSF)/plasma ratio of approximately 50%, providing sustained coverage above TYK2 and JAK1 IC₅₀ at clinical doses. These results support continued development of TLL-041 for neurodegenerative conditions, including Parkinson’s disease and Alzheimer’s disease.

See “— Our Neurodegenerative Franchise” for details of other drug candidates, including HL-400 in Phase I development and preclinical asset HL-500.

Partnership with Global Leading Player to Drive Global Development and Long-term Value

From inception, we have adopted a results-driven collaboration strategy focused on partnering with organizations that demonstrate domain leadership, clinical execution capabilities, and commercialization strength. Rather than prioritizing headline deal value alone, our approach emphasizes long-term strategic alignment — engaging partners capable of advancing development programs, navigating complex regulatory environments, and scaling commercial impact.

Our partnership with Biohaven — a globally recognized innovator in neuroscience — exemplifies this philosophy. In March 2023, we entered into a license and development agreement granting Biohaven exclusive, sublicensable rights to research, develop, manufacture, and commercialize TLL-041 for CNS indications outside Greater China. As part of the transaction, we received an upfront cash payment of US\$10 million, 721,136 common shares of Biohaven, milestone payments up to US\$950 million, and tiered royalty commitments, reflecting the value creation potential of TLL-041 at global scale. Since the agreement, Biohaven has completed a Phase I clinical trial for TLL-041 in the United States with encouraging biomarker engagement and safety results. In May 2025, Biohaven initiated a Phase II/III registrational trial in early Parkinson’s disease, representing the first known application of a TYK2/JAK1 inhibitor in neurodegeneration and a significant milestone in the evolution of targeted therapies for CNS disorders. In August 2025, we received the first milestone payment of US\$15 million in connection with this program.

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Looking forward, we remain committed to forming science-driven, milestone-aligned partnerships with leading global biopharmaceutical companies. Our goal is to maximize the value of our pipeline through tailored alliance models that support development momentum, global reach, and long-term shareholder value creation across each stage of the product life cycle.

Seasoned Leadership Driving Innovation and Growth, Backed by Premier Healthcare Investors

Our core management team is composed of seasoned medicinal chemists, biologists, and clinical development experts with deep experience across multinational biopharma companies and high-growth biotech ventures. Our team has proven track records of complete drug discovery and development from identifying targets, discovering IND candidates, conducting Phase I to III clinical trials, and all the way to NDA approval and commercialization. Collectively, the team has contributed to the successful development and commercialization of seven innovative drugs. By leveraging end-to-end capabilities spanning research, translational science, clinical operations, and regulatory strategy, our leadership continues to advance a globally scalable pipeline with high medical and commercial impact.

At the helm of our Company is Dr. Chris Congxin Liang, Ph.D., our founder, chairman of the Board, and CEO, whose career spans more than 30 years in small molecule drug discovery. In addition to Dr. Liang, our management team includes Dr. Wei Tang, Ph.D., our senior vice president of biology; Dr. Junmin Huang, Ph.D., our senior vice president of CMC; Mr. Yong Liu, our senior vice president of clinical operations; Ms. Zhenghua Ren, our vice president of commercialization; and Mr. Liujun Song, our vice president of business development. For more details, see “— Research and Development — In-house R&D Team” and “Directors and Senior Management.”

Our strategic foundation is further strengthened by the backing of leading healthcare investors, including Kaitai Capital, Efung Capital, Lake Ventures, Hankang Capital, AZ-CICC, Huajin Capital, Bayland Capital and AIHC. Their support validates our vision and provides the capital resources to sustain long-term innovation and scale.

OUR STRATEGIES

Advance Development of Autoimmune Drug Candidates

We are executing a disciplined and scalable clinical development strategy designed to strengthen our leadership in autoimmune therapeutics. Through a staged and resource-efficient approach, we are advancing our autoimmune drug candidates, accelerating registration timelines while aligning with global regulatory standards to deliver differentiated therapies to patients with high unmet needs. Our development plans for TLL-018, HL-300, HL-450 and TLL-009 are summarized below:

- ***TLL-018 in CSU.*** TLL-018 is the first TYK2/JAK1 selective inhibitor globally to enter clinical development for the treatment of CSU. Its Phase Ib trial confirmed promising therapeutic activity and good safety. A Phase III trial was launched in March 2024, with full enrollment in July 2025 and NDA submission to the NMPA targeted in the first quarter of 2027.
- ***TLL-018 in RA.*** Following the completion of a Phase IIa clinical trial in RA with head-to-head comparison against tofacitinib, TLL-018 demonstrated superior efficacy and a comparable safety profile. We initiated a Phase III registrational trial in China in November 2023 and completed patient enrollment in July 2025, with NDA submission to the NMPA targeted by the end of 2026.

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- **TLL-018 in AD and SLE.** TLL-018 showed potential in effective modulation of relevant immune pathways in preclinical studies. IND approvals for AD and SLE were obtained in April and August 2023, respectively. We also obtained the IND approval from the NMPA for the initiation of a Phase II/III registrational trial for TLL-018 in moderate-to-severe AD in May 2026. We expect to commence this trial in the second quarter of 2026. We also expect to commence a Phase II/III clinical trial for SLE in China in the third quarter of 2027.
- **HL-300.** We initiated a Phase Ib/II efficacy exploration study in May 2026 and expect to complete this trial by the end of 2026, with subsequent registrational-enabling trials and NDA filings aligned to expedite market entry.
- **HL-450.** We are developing HL-450 in a preclinical stage. We expect to submit IND application for HL-450 in the first quarter of 2027.
- **TLL-009.** Under our collaboration agreement with Tenovation, TLL-009 is being advanced for innovative veterinary applications, expected for INAD application to the Center for Veterinary Medicine under China’s Ministry of Agriculture and Rural Affairs in the third quarter of 2026.

Drive Strategic Advancement of Neurodegenerative Disease Pipeline

We remain committed to developing breakthrough therapies for neurodegenerative diseases. Our development plans for TLL-041, HL-400, and HL-500 are summarized below:

- **TLL-041.** In its first-in-human Phase I clinical trial and chronic-toxicity studies, TLL-041 demonstrated excellent blood-brain barrier penetration capability. The Phase I data and chronic nonclinical toxicity data support its progression into late-stage development. To evaluate its disease-modifying potential in Parkinson’s disease, Biohaven initiated the Phase II/III clinical study in the United States in May 2025. In October 2025, the NMPA granted IND approval for TLL-041/BHV-8000 for the prevention of treatment-emergent amyloid-related imaging abnormalities in patients with Alzheimer’s disease. The approved Phase I trial is designed as a bridging pharmacokinetic study to confirm exposure equivalence between Chinese and U.S. populations, and will serve as the basis for subsequent clinical development of TLL-041/BHV-8000 in both Parkinson’s disease and Alzheimer’s disease in China. In China, we initiated a Phase I bridging study in December 2025 and completed this study in March 2026. As the next step, we plan to participate in Biohaven’s global registrational program in Parkinson’s disease. In December 2025, we submitted the clinical protocol for this registrational trial to the NMPA and are currently awaiting feedback. Following positive top-line results, Biohaven will, at our request, submit the marketing approval application in China and, upon approval, transfer the marketing authorization to us. In parallel, we also plan to advance TLL-041 into a Phase II clinical trial in Alzheimer’s disease in China to address the unmet medical need in this patient population, and expect to submit IND for this trial in the third quarter of 2026.
- **HL-400.** Following IND approval in the United States in April 2025, HL-400 entered a Phase I clinical trial, which is currently ongoing and expected to complete in the second quarter of 2026. In February 2026, we submitted a protocol amendment to the FDA to add a cohort of obese subjects with inflammation for this trial, which became effective in March 2026 under the FDA’s implied approval process. In March 2026, we also submitted an IND application for HL-400 to the NMPA for a Phase I PK bridging study in China and obtained the IND approval in May 2026. We expect to initiate the Phase I trial for HL-400 in China in the third quarter of 2026. Going forward, we plan to initiate Phase I/II trials to assess HL-400’s therapeutic activity in both systemic inflammatory and CNS-related indications, leveraging its potent and selective inhibition of NLRP3 with favorable preclinical safety and brain exposure profiles.

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- **HL-500.** We expect to submit an IND application for HL-500 for the treatment of Parkinson’s disease as early as the first quarter of 2027.

Establish Strategic Commercialization and Manufacturing Framework to Support Product Launch and Long-Term Scale

We are implementing a flexible commercialization strategy tailored to the market potential and positioning of late-stage drug candidates in our pipeline. For TLL-018, our Core Product, we may collaborate with experienced contract sales organizations to launch the product in China, leveraging their professional salesforce and established distribution infrastructure; we are also exploring in-house commercialization to further maximize the commercial value of TLL-018. For highly differentiated products such as TLL-041, we are evaluating the establishment of an internal commercial team to ensure rapid market responsiveness and strengthen brand presence.

On the manufacturing front, given our current limited in-house capacity, we intend to continue partnering with reputable CDMOs in the near term to advance formulation and production. As our drug candidates approach commercialization, we plan to expand internal manufacturing capabilities in tandem, including the construction of a dedicated formulation workshop and other supporting facilities, to meet anticipated demand and enhance supply security.

In parallel, we will establish a comprehensive quality management system and further optimize GMP-compliant operations across formulation and analytical development. This end-to-end framework is designed to lay the foundation for sustainable growth and successful market entry.

Unlock Pipeline Value through Strategic Partnerships

We remain committed to maximizing the long-term value of our pipeline through strategic and results-oriented collaborations worldwide. Our proven track record of successful international R&D partnerships illustrates the strength of our approach in accelerating innovation and advancing therapeutic development across key markets.

Building on this foundation, we will continue to identify and evaluate diverse partnership models — spanning licensing, co-development, and commercial alliances — to drive clinical progress and broaden access to our therapies worldwide. By leveraging the domain expertise, infrastructure, and geographic reach of our partners, we aim to enhance development efficiency, optimize regulatory and commercialization pathways, and tailor lifecycle strategies to the unique attributes of each asset.

We maintain flexibility in structuring collaborations to preserve meaningful economic participation and maximize long-term upside. Our agile development framework allows us to align partnership terms with the stage, therapeutic area, and strategic relevance of each program, enabling us to efficiently translate novel science into global patient impact.

Beyond asset-level partnerships, we actively seek collaborative R&D opportunities to strengthen and complement our in-house discovery engine. We focus on engaging with partners offering differentiated technologies and scientific expertise that synergize with our internal capabilities. Such alliances play a vital role in accelerating early-stage innovation, expanding pipeline breadth, and reinforcing our leadership in autoimmune and neurodegenerative disease research. As of the Latest Practicable Date, we have no plans to enter into licensing arrangements other than the existing arrangements with Biohaven and Tenovation.

Strengthen Talent Strategy to Expand Capabilities and Support Global Growth

Building a globally competitive and mission-aligned team is central to our strategic execution. We remain committed to attracting and retaining top-tier talent with international perspectives and specialized expertise to drive sustainable growth and innovation across our organization.

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To reinforce our competitive edge, we plan to recruit experienced clinical development professionals in autoimmune and neurological disease areas to lead advancement of our pipeline programs. We also intend to enhance our capabilities in international business development and financial management, supporting our broader objectives of capital market engagement and global partnership expansion.

In parallel, we aim to onboard talent in computer science and AI-driven drug discovery to accelerate development of our proprietary AI-assisted design platform. Looking ahead, we will establish a dedicated team to strengthen clinical development infrastructure and operational execution in the United States.

We will continue to provide systematic training and development programs to deepen employees’ technical proficiency and ensure they remain informed of emerging trends and best practices across the biopharmaceutical industry. Through ongoing investment in people and culture, we seek to build an agile and enduring organization capable of delivering transformative therapies at global scale.

OUR AUTOIMMUNE FRANCHISE

TLL-018 (Gircitinib), Our Core Product

Overview

TLL-018 (gircitinib), our Core Product, is a highly selective TYK2/JAK1 inhibitor, in Phase III clinical development for chronic spontaneous urticaria (CSU) and rheumatoid arthritis (RA), and has successfully met the primary endpoints for both Phase III trials. Discovered and developed in-house, TLL-018 is designed to address a broad spectrum of autoimmune diseases, including CSU, RA, atopic dermatitis (AD) and systemic lupus erythematosus (SLE). TYK2 and JAK1 are clinically validated targets that regulate distinct but complementary inflammatory pathways: JAK1 inhibition reduces signaling of pro-inflammatory cytokines such as IL-6 and IFN- γ , while TYK2 is critical for the production of IL-17, IL-23, IFN- α and IFN- β . In multiple autoimmune diseases, including RA, CSU and SLE, both pathways contribute to disease pathogenesis, providing strong scientific rationale for dual inhibition. Leveraging a novel H-donor-free molecular design, TLL-018 achieves over 200-fold selectivity for TYK2 and JAK1 over JAK2 and JAK3 — representing a significant advance in selectivity for JAK inhibitors.

TLL-018’s differentiated profile is supported by clinical data. In CSU, it is the world’s first JAK inhibitor to demonstrate promising efficacy, with Phase Ib results showing rapid and significant itch reduction and a notable UAS7 improvement, alongside a favorable tolerability profile. In RA, a head-to-head Phase IIa trial against tofacitinib achieved ACR50 response rates of 65.4% and 72.0% at 20mg and 30mg doses, respectively, both statistically superior to tofacitinib (41.7%). Notably, TLL-018 demonstrated efficacy in patients who had failed tofacitinib, with no unexpected safety signals. These Phase Ib and Phase IIa efficacy data have been confirmed in the ongoing Phase III trials. In addition, these data, together with encouraging preclinical results in AD and SLE, position TLL-018 among the most clinically advanced TYK2/JAK1 inhibitors globally, with potential to address large, underserved autoimmune markets where high unmet medical needs persist.

TLL-018 was first discovered and developed by our founder, Dr. Congxin Liang, in 2017 and advanced into IND-enabling studies in 2018. We submitted the IND for TLL-018 to the FDA in November 2019 and received the corresponding approval in January 2020. Based on the IND approval from the FDA, we initiated the Phase I clinical trial of TLL-018 in healthy subjects in the United States in January 2020 and completed the trial in December 2020. Following IND approval from the NMPA for the treatment of RA in February 2021, we initiated a Phase I bridging study in healthy subjects in China in September 2021 and completed the trial in November 2021. In parallel, we were actively pursuing indication expansion of TLL-018 and obtained IND approvals for

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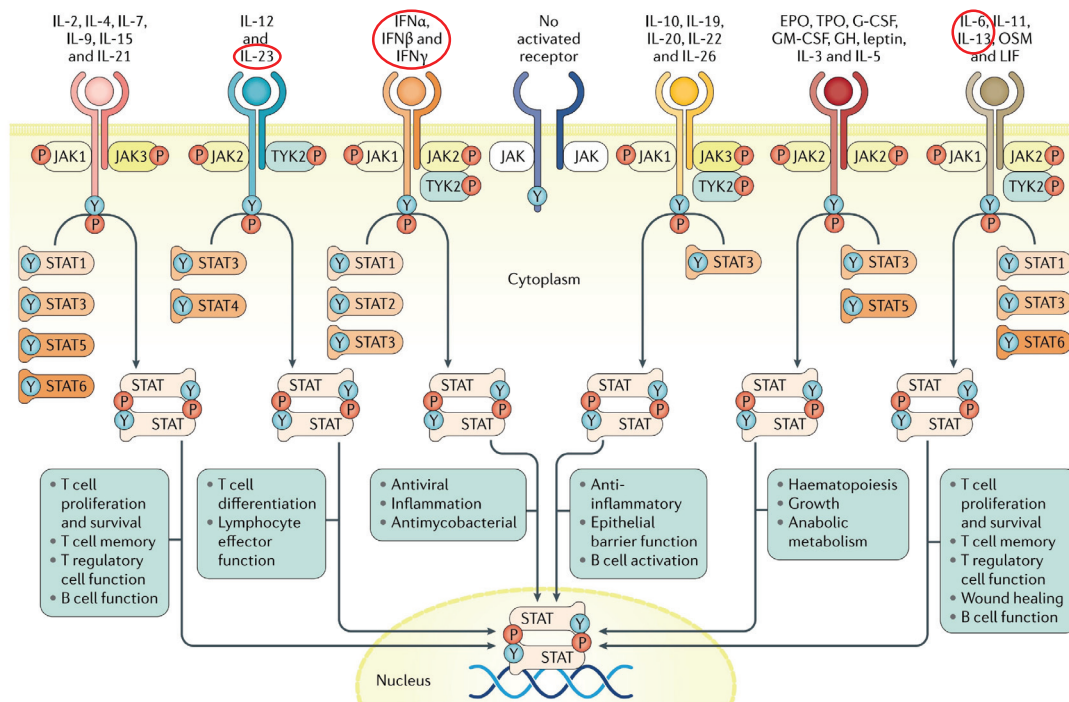
TLL-018 in multiple other indications including CSU, AD and SLE in the following years. Building on the clinical data in two Phase I trials in the United States and China, we prioritized development in CSU and RA, initiating a Phase IIa trial in RA and a Phase Ib trial in CSU in China in February 2022 and August 2022, respectively, and completing these trials in August 2023 and December 2023, respectively.

As of the Latest Practicable Date, TLL-018 is undergoing two Phase III registrational trials in CSU and RA in China. The primary efficacy analysis was performed for the Phase III CSU trial in January 2026 and for the Phase III RA trial in April 2026, and both trials met the primary efficacy endpoints. We expect to complete the NDA submissions for RA by the end of 2026 and for CSU in the first quarter of 2027. Further, building on the completion of Phase I clinical trials in healthy subjects in both China and the United States, together with the dose exploration foundation established in clinical trials of TLL-018 for CSU and RA, we intend to proceed directly to a Phase II/III registrational trial in China for AD in the second quarter of 2026, for which IND approval was obtained in May 2026. In parallel, we are planning for indication expansion of TLL-018 for SLE.

Drug Design and Mechanism of Action

Janus kinases (“**JAKs**”) belong to a family of intracellular enzymes which transmit signals arising from cytokine or growth factor-receptor interactions on the cell membrane to influence cellular processes of hematopoiesis and immune cell functions. Within the signaling pathway, JAKs phosphorylate and activate signal transducers and activators of transcription (“**STATs**”) which modulate intracellular activity including gene expression. Aberrant production of cytokines has been associated with a number of chronic inflammatory conditions and is considered to be the major driver of autoimmunity. Both JAK1 and TYK2 have been shown to be integral in the signaling of a large number of these proinflammatory cytokines, positioning JAK1 and/or TYK2 inhibitors as potential therapies for various inflammatory and autoimmune diseases including RA, ulcerative colitis, psoriasis and urticaria.

The mechanism of action of TLL-018 is illustrated below.



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Market Opportunity and Competition

TLL-018, as a highly selective TYK2/JAK1 inhibitor, targets a significant market opportunity within autoimmune diseases, including CSU, RA, AD and SLE. See “Industry Overview — Global JAK Inhibitor Market — Market Opportunities of JAK Inhibitors in Autoimmune Diseases” for details.

Key Advantages

- The world’s first JAK inhibitor for the treatment of CSU. TLL-018 is the world’s first JAK inhibitor to enter clinical trials for the treatment of CSU. In its Phase Ib clinical trial in patients with moderate-to-severe CSU, TLL-018 demonstrated dose-responsive and sustained efficacy with significant improvements observed in Itch Severity Score (ISS7) and Urticaria Activity Score (UAS7) as early as Week 4, even at low doses. At Week 4, both the 10 mg and 30 mg groups showed statistically significant reductions in UAS7 and ISS7 compared to placebo, indicating its effective control of disease activity. These improvements were maintained and further enhanced by Week 12, with a high proportion of patients achieving $UAS7 \leq 6$ / $UAS7 = 0$ for the placebo-to-20mg (53.8%/38.5%), TLL-018 10mg (71.4%/64.3%) and 30mg groups (61.5%/53.8%). In addition, TLL-018 demonstrated a clinically meaningful UAS7 improvement (-24.8). TLL-018 was well-tolerated among patients with CSU, with no serious adverse events (SAEs) reported. Beyond its efficacy and safety, TLL-018 delivers practical benefits such as ease of administration and a fast onset of action, further underscoring its potential for CSU treatment.

While the prevalence of CSU reached 68.4 million cases globally and 26.1 million cases in China in 2024, effective treatments remain limited. In China, the CSU drug market is still at an early stage. A considerable proportion of patients experience incomplete response to antihistamines, the standard first-line treatment for CSU, underscoring the substantial need for novel therapies for refractory CSU. Notably, omalizumab, one of the only two biologic drugs approved for CSU globally (the other being dupilumab) and the only biologic approved in China for second-line CSU treatment as of the Latest Practicable Date, have already demonstrated strong commercial success with annual sales of US\$5.42 billion globally. TLL-018, as the first JAK inhibitor for CSU, has the potential to address the large and underserved CSU patient population as a therapeutic option.

- Favorable efficacy and favorable safety profile in treating RA. In its Phase IIa clinical trial in patients with active RA, TLL-018 demonstrated a favorable efficacy and safety profile in its head-to-head comparison with tofacitinib, a first-generation JAK inhibitor widely recommended in major treatment guidelines. In this trial, TLL-018 achieved an ACR50 response rate of 48.0%, 65.4% and 72.0% in its 10 mg, 20 mg and 30 mg groups, compared to 41.7% in the tofacitinib group, with the TLL-018 20 mg and 30 mg groups showing statistically significant improvements over tofacitinib ($P < 0.05$). Additionally, these two dose groups also demonstrated superior efficacy results over tofacitinib across key endpoints, including Disease Activity Score using 28 joint counts with high-sensitivity C-reactive protein (DAS28-hsCRP), Clinical Disease Activity Index (CDAI), physician global assessment (PGA), and patient global assessment (PtGA), and were also associated with lower Visual Analog Scale (VAS) pain scores, indicating both superior disease control and symptom relief. Importantly, TLL-018 was also able to improve efficacy in patients with inadequate response to tofacitinib. In its Phase IIa trial, among the 12 patients who did not achieve ACR50 on tofacitinib and subsequently switched to TLL-018 20 mg for another 12 weeks, 5 patients achieved ACR50 and another 5 achieved ACR70, highlighting its ability to rescue prior non-responders and further underscoring its differentiated therapeutic potential. Currently, there is no approved treatment for “difficult-to-treat” RA patients who failed both bDMARDs and JAK inhibitors, and TLL-018 could offer a viable option.

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TLL-018 demonstrated a favorable safety profile in its Phase IIa trial, with no unexpected SAEs reported. Most adverse events were mild, and the incidence of TLL-018 related SAEs (1.3%) was low. Furthermore, none of the treatment-emergent adverse events (TEAEs) associated with TLL-018 resulted in treatment discontinuation.

- High selectivity and dual-targeting mechanism driven by innovative structure design. TLL-018 sets itself apart from other JAK inhibitors through its dual-targeting mechanism and innovative H-donor-free structure, which ensures high selectivity. By selectively targeting JAK1 and TYK2, TLL-018 effectively modulates key proinflammatory cytokines: JAK1 regulates cytokines like IL-6 and IFN- γ , while TYK2 is involved in cytokines such as IL-23, IL-17, IFN- α and IFN- β . Notably, mechanistic and clinical evidence indicates that in multiple inflammatory and autoimmune diseases such as RA, CSU and SLE, both JAK1- and TYK2-regulated cytokine pathways contribute to disease pathogenesis, providing strong scientific rationale of dual targeting approach. Synergistic inhibition of JAK1 and TYK2 enables more precise modulation of diverse inflammatory pathways and enhanced efficacy compared to single-pathway inhibition. Moreover, in contrast to first-generation JAK inhibitors, TLL-018, by selectively sparing JAK2 and JAK3, minimizes the hematologic and immunosuppressive toxicities associated with the broader inhibition of JAK2 and JAK3 in less selective agents, providing a safer and more targeted therapeutic approach.

Built on our proprietary molecular design platform, TLL-018 innovatively features a H-donor-free structure, a design that significantly enhances its therapeutic potential. Unlike conventional small-molecule therapies including marketed drugs like tofacitinib, baricitinib and upadacitinib, which contain a H-donor in its core structure, TLL-018 strategically removes this feature. This innovative design reduces off-target interactions within other kinases, translating to selectivity. As shown in *in vitro* pharmacology studies, TLL-018 achieves an IC₅₀ of 4 nM for JAK1 and 5 nM for TYK2 while exceeding 1,000 nM for JAK2 and JAK3, resulting in over 200-fold selectivity. Collectively, the dual-targeting approach combined with the innovative H-donor-free structure positions TLL-018 as a highly promising therapeutic option in treating autoimmune diseases.

- The most clinically advanced highly selective TYK2/JAK1 inhibitors globally targeting multiple autoimmune disease indications. Our development of TLL-018 focuses on differentiated targets and underexplored indications. Notably, TLL-018 is the most clinically advanced TYK2/JAK1 inhibitor in China and among one of the most clinically advanced TYK2/JAK1 inhibitors globally as of the Latest Practicable Date, according to Frost & Sullivan. With two Phase III registrational trials underway in China for CSU and RA and completed patient enrollment both in July 2025, TLL-018 exhibits strong near-commercial potential and substantial market opportunities, particularly as there is currently no marketed TYK2/JAK1 inhibitor globally. We were also the world's first to initiate a clinical trial evaluating a JAK inhibitor in CSU, expanding therapeutic options for this indication. Looking forward, we expect to submit NDAs for TLL-018 in RA by the end of 2026 and in CSU in the first quarter of 2027.

In addition to CSU and RA, we are exploring TLL-018's applications in a broad range of autoimmune disease indications including AD and SLE. This strategy enables us to accelerate the development of TLL-018 by maximizing its clinical and preclinical data, while also expanding its reach to a wider addressable population of patients in need. In an oxazolone-induced AD model, mice receiving oral administration of TLL-018 demonstrated statistically significant thinning of skin thickness. Moreover, the clinical score, a cumulative score for skin redness, skin erosion and skin scaling which represent the severity of dermatitis, was significantly lower in the TLL-018 treated group than in the control group, suggesting a marked suppression of dermatitis severity. Meanwhile, in a SLE mouse model, the administration of TLL-018 in mice significantly reduced clinical disease parameters, including proteinuria scores, serum anti-dsDNA antibodies, kidney weight and spleen weight, as well as histopathological disease parameters, demonstrating its potential efficacy in treating

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SLE. TLL-018 also showed potential more favorable efficacy in a head-to-head preclinical analysis against deucravacitinib in the SLE model. These preclinical findings demonstrate TLL-018’s strong potential as a treatment for AD and SLE and warrants further clinical investigation.

We plan to initiate clinical trials for AD and SLE to advance the development of TLL-018 as a versatile and potentially transformative treatment with the ability to address multiple indications simultaneously.

Clinical Development Strategy and Material Communications with Competent Authorities

Our clinical development strategy for TLL-018 has been designed to progressively establish its safety, pharmacokinetic profile, dose rationale, efficacy and long-term treatment potential across autoimmune and inflammatory indications, with an initial focus on CSU and RA in China. At the same time, we are actively pursuing indication expansion for TLL-018, spanning CSU, RA, AD and SLE. As part of our lifecycle management strategy for TLL-018, this approach enables us to broaden patient populations and extend its market exclusivity, while leveraging existing safety and PK data to reduce development risk, cost and timelines. As a result, this comprehensive approach may strengthen the competitive positioning of TLL-018 through differentiation, accelerate its market penetration and maximize its commercial value.

Phase I clinical development in the United States (initiated in January 2020 and completed in December 2020). We commenced the clinical development of TLL-018 with a Phase I clinical trial in healthy subjects in the United States in January 2020 following the submission of an IND application to the FDA in November 2019 and receipt of FDA IND clearance in January 2020. The IND was submitted for the development of TLL-018 for the treatment of RA and was not limited to any specific phase of clinical development. Although the intended indication under the IND was RA, the initial clinical protocol submitted and cleared under the IND was a Phase I study in healthy subjects designed to evaluate the safety, tolerability, pharmacokinetic and pharmacodynamic profile of TLL-018 at the molecule level prior to initiating patient studies. Under the FDA regulatory framework, an IND for a therapeutic candidate intended for a specific indication may initially support Phase I studies in healthy volunteers to characterize molecule-level safety and PK properties before proceeding to clinical trials in patients. Pursuant to such IND clearance, we initiated the Phase I clinical study in healthy subjects in the United States (NCT04243083) in January 2020 and completed this trial in December 2020. The primary purpose of this trial was to characterize the safety, tolerability, pharmacokinetic and pharmacodynamic profile of TLL-018 and establish an initial clinical foundation for subsequent potential global development.

Phase I clinical development in China (initiated in September 2021 and completed in November 2021). Following the completion of the U.S. Phase I trial, we initiated a Phase I PK bridging study in healthy subjects in China in September 2021 following the submission of an IND application to the NMPA in December 2020 and receipt of NMPA IND clearance in February 2021. Similar to the U.S. Phase I trial, the IND in China was submitted for the development of TLL-018 for the treatment of RA and was not limited to any specific phase of clinical development. Although the intended indication under the IND was RA, the initial clinical protocol submitted and cleared under such IND was a Phase I study in healthy subjects designed to further characterize the safety, tolerability, pharmacokinetic and pharmacodynamic profile of TLL-018 at the molecule level prior to initiating patient studies in China. Under the NMPA regulatory framework, an IND for a therapeutic candidate intended for a specific indication may initially support Phase I studies in healthy volunteers to characterize molecule-level safety and PK properties before proceeding to clinical trials in patients. Pursuant to such IND clearance, we initiated the Phase I PK bridging study in healthy subjects in China (CTR20211405) in September 2021 and completed the trial in November 2021. The primary purpose of this study was to evaluate potential ethnic differences in the PK profile of TLL-018 between Chinese and U.S. subjects and to support subsequent clinical development in China.

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Purpose and clinical development role of the Phase I studies. The foregoing Phase I clinical trial in the United States and the Phase I PK bridging study in China were not designed to evaluate the efficacy of TLL-018 for any specific indication, but rather to characterize the compound’s safety, tolerability, pharmacokinetic and pharmacodynamic profile at the molecule level in humans. Such Phase I studies are generally intended to establish foundational clinical data for the molecule itself, including its systemic exposure, dose range, safety margins and PK characteristics, which may support subsequent clinical development across multiple indications involving the same compound. Accordingly, the Phase I clinical data package generated from the United States and China studies served as the foundational basis for the subsequent development of TLL-018 in multiple autoimmune and inflammatory indications, including RA, CSU, AD and SLE. Following completion of such Phase I studies, we subsequently submitted separate IND applications to the NMPA for additional indications, including CSU and plaque psoriasis, and obtained the corresponding IND approvals without the NMPA requiring additional Phase I clinical trials for such indications prior to initiation of patient studies. We therefore proceeded directly into standalone Phase Ib clinical trials in CSU and plaque psoriasis. Such regulatory pathway demonstrates the NMPA’s acceptance of the existing Phase I safety and PK data package as sufficient foundational support for subsequent clinical development of TLL-018 in additional indications.

Subsequent clinical development strategy and indication prioritization. Building upon the favorable safety and PK profile observed in the Phase I studies, our subsequent clinical development strategy across specific indications has been guided by both the competitive landscape and our assessment of the therapeutic potential of TLL-018 in such indications. For example, in the past, we have evaluated the efficacy of TLL-018 in plaque psoriasis through clinical studies conducted in China and the United States pursuant to the IND approval obtained from the NMPA in February 2022 and a protocol amendment submitted under the existing FDA IND, which became effective in October 2022. While TLL-018 demonstrated favorable efficacy and safety profile in plaque psoriasis trials, based on strategic considerations, we have decided to prioritize resource allocation toward other indications, such as CSU and RA and not to pursue the development of TLL-018 for plaque psoriasis. In particular, we are positioning TLL-018 as the world’s first TYK2/JAK1 selective inhibitor for CSU, aiming to achieve a first-to-market advantage in this indication. We are pursuing a fast-to-market strategy for TLL-018 for RA treatment by advancing its Phase III registrational trial in China, with NDA applications anticipated by the end of 2026. In addition, we previously initiated a Phase II trial of TLL-018 for ulcerative colitis (NCT05121402), which was later withdrawn for strategic reasons. The trial was initiated in 2022 at a time when more than ten Phase III clinical trials for ulcerative colitis were actively recruiting or ongoing globally. This resulted in intense competition for eligible patients and created challenges for timely patient enrollment. Moreover, the ulcerative colitis treatment landscape has become highly competitive, with multiple therapies targeting diverse mechanisms of action, including IL-23, S1P and TL1A, either already approved or in late-stage clinical development. As advised by Frost & Sullivan, several IL-23-targeting therapies have been approved for ulcerative colitis globally, including agents for which biosimilars are available, while S1P receptor modulators have also achieved commercialization. In addition, multiple TL1A-targeting drug candidates are currently in Phase III clinical development for ulcerative colitis. In light of these competitive dynamics, we do not currently plan to restart this clinical trial.

RA

Phase IIa clinical development for RA in China (initiated in February 2022 and completed in August 2023). For RA, our development strategy focused on establishing differentiation against existing JAK inhibitors through active-comparator clinical studies. Following completion of the Phase I PK bridging study in healthy subjects in China and receipt of a favorable safety assessment from the safety review committee, we proceeded with the Phase IIa clinical trial in RA under the existing IND approval granted by the NMPA in February 2021 for the development of TLL-018 for RA. Such IND approval was not limited to a specific clinical phase and supported the subsequent clinical development of TLL-018 in RA in accordance with the submitted clinical development plan. Accordingly, we were not required to obtain a separate IND approval or additional regulatory

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clearance from the NMPA prior to initiating the Phase IIa RA trial. The Phase IIa clinical trial in RA was designed as a standalone randomized, double-blind, head-to-head study comparing TLL-018 monotherapy against tofacitinib in patients with active RA who had inadequate response or intolerance to methotrexate. The trial demonstrated encouraging efficacy and safety results, including statistically significant superior efficacy in the TLL-018 20 mg and 30 mg groups compared to tofacitinib.

EOP2 communications with the CDE regarding the Phase III registrational trial for RA. Based on the interim results from the standalone Phase IIa RA trial, we submitted a request for an End-of-Phase II (EOP2) meeting to the CDE in January 2023 regarding the proposed registrational Phase III clinical development plan for RA and subsequently held such meeting with the CDE in April 2023. During the meeting, the CDE agreed with the overall design of the proposed Phase III registrational trial and provided recommendations regarding the registrational data package, including that (i) the primary endpoint be assessed based on the ACR50 response rate at Week 24, and (ii) the cumulative patient exposure at the proposed commercial dose of TLL-018 20 mg BID and above should reach approximately 500 patient-years in patients with active RA who had inadequate response or intolerance to bDMARDs. One patient-year represents one patient receiving treatment for one year, or an equivalent cumulative duration of exposure across multiple patients. The CDE further indicated that, provided that the Phase III registrational trial demonstrates superior efficacy over the tofacitinib control group without unexpected or clinically significant safety concerns, together with sufficient cumulative patient exposure, the resulting clinical data package would generally be capable of supporting an NDA submission for TLL-018 for the treatment of RA. The CDE did not require the conduct of an additional Phase IIb clinical trial prior to the initiation of the registrational Phase III trial, indicating that the Phase IIa RA trial was conducted as a standalone proof-of-concept and dose-exploration clinical trial. Based on the Phase IIa clinical results and the subsequent EOP2 communications with the CDE, we proceeded directly to the Phase III registrational trial in RA.

Phase III registrational clinical development for RA in China (initiated in November 2023 and expected completion in the fourth quarter of 2026). Following the EOP2 communications with the CDE, we initiated a randomized, double-blind, active-controlled Phase III registrational trial comparing TLL-018 against tofacitinib in patients with active RA who had inadequate response or intolerance to biologic therapies, representing a more difficult-to-treat patient population. According to the primary efficacy analysis conducted in April 2026, the trial met its primary endpoint and all secondary endpoints, with TLL-018 demonstrating statistically significant superior efficacy over tofacitinib. TLL-018 and tofacitinib showed similar safety profiles in this trial, with no new or unexpected safety signal observed with TLL-018.

Long-term extension study of TLL-018 in patients with active RA in China (initiated in March 2025 and expected completion in 2028). To further accumulate long-term safety exposure and support achievement of the cumulative patient exposure target discussed with the CDE during the EOP2 communications, we initiated a long-term extension study of TLL-018 in patients with active RA in China. While cumulative long-term exposure data forms part of the overall NDA-supporting safety database for RA, the CDE did not specifically require the initiation or completion of the long-term extension study itself as a standalone prerequisite for NDA approval. In November 2024, we submitted a request to the CDE regarding the proposed long-term extension study and received written feedback from the CDE in February 2025, pursuant to which the CDE agreed that we may proceed with the study and raised no objection to the potential use of the resulting data in support of a future NDA submission. Based on the foregoing communications with the CDE, we initiated the long-term extension study in March 2025 to further support the long-term clinical safety and efficacy evaluation of TLL-018 in RA patients.

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CSU

Phase Ib clinical development for CSU in China (initiated in August 2022 and completed in December 2023). For CSU, our clinical development strategy focused on evaluating rapid symptom control, durability of response and long-term tolerability in patients with moderate-to-severe CSU who had inadequate response to antihistamine treatment. Following completion of the Phase I PK bridging study in healthy subjects in China and receipt of a favorable safety assessment from the safety review committee, we submitted a separate IND application to the NMPA for the development of TLL-018 for CSU in November 2021 and obtained the corresponding IND approval in February 2022. The IND was submitted for the development of TLL-018 for the treatment of CSU and was not limited to any specific phase of clinical development. Based on the existing Phase I safety, tolerability and PK data package generated from the completed Phase I studies in the United States and China, the NMPA did not require us to conduct an additional Phase Ia clinical trial in CSU prior to initiating patient studies for such indication. Accordingly, we proceeded directly to a standalone Phase Ib clinical trial in CSU patients to evaluate the efficacy, safety, PK profile and dose characteristics of TLL-018 in the target patient population. The Phase Ib CSU trial demonstrated encouraging efficacy, including rapid and clinically meaningful improvements in urticaria activity and itch severity scores, together with a favorable safety profile.

EOP2 communications with the CDE regarding the Phase III registrational trial for CSU. Based on the interim results from the standalone Phase Ib CSU trial in China, we submitted a request for an EOP2 meeting to the CDE in November 2023 regarding the proposed Phase III registrational trial for CSU and subsequently received written feedback from the CDE in March 2024. In its written feedback, the CDE acknowledged the results of the completed Phase Ib CSU trial and indicated that such study was considered to be comparable to a Phase II clinical trial in light of its clinical design, patient population, dose exploration and efficacy and safety evaluation. Based on the overall clinical data package available for TLL-018, including the completed Phase Ib CSU study, the CDE agreed that we may proceed directly to the proposed Phase III registrational trial in CSU without conducting an additional Phase II clinical trial for such indication. The CDE further indicated that, subject to the completion of the required clinical development program and supporting data package, we may proceed with pre-NDA and NDA submissions for CSU. Based on the foregoing regulatory communications with the CDE, we initiated the Phase III registrational trial for TLL-018 in patients with moderate-to-severe CSU in China.

Phase III registrational clinical development for CSU in China (initiated in March 2024 and expected completion in the fourth quarter of 2026). Following the EOP2 communications with the CDE, we initiated a multicenter, randomized, double-blind, placebo-controlled Phase III registrational trial for CSU in March 2024. According to the primary efficacy analysis conducted in January 2026, the trial met both primary endpoints and demonstrated rapid onset as early as Day 2 and durable efficacy through Week 52. Compared with placebo, TLL-018 showed slightly higher rates of lipid elevations and infection, but similar rates of SAE or high-grade AEs.

Pre-NDA and priority review applications for the treatment of CSU. Under the PRC regulatory framework, following completion of pivotal clinical studies, a sponsor may apply to the CDE for a pre-NDA communication meeting to discuss the adequacy of the clinical, non-clinical and CMC data package and the proposed NDA submission strategy. In addition, innovative drugs addressing serious diseases or significant unmet medical needs may apply for priority review designation, which, if granted, enables accelerated regulatory review. In January 2026, we submitted pre-NDA communication meeting and priority review applications to the NMPA for TLL-018 for the treatment of CSU.

AD and SLE

Building upon the accumulated safety, tolerability, pharmacokinetic and dose exploration experience across the Phase I, CSU and RA clinical programs, we are further expanding TLL-018 into additional autoimmune indications, including AD and SLE, with the goal of unlocking its

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broader therapeutic potential as an oral JAK inhibitor across autoimmune and inflammatory diseases. In particular, for AD, we intend to pursue an accelerated Phase II/III registrational development strategy in China based on the established molecule-level safety and PK profile of TLL-018, together with the clinical experience and dose-ranging data accumulated from related inflammatory indications, including CSU, RA and plaque psoriasis. Leveraging the existing clinical data package, including disease-specific dose exploration experience, we believe there is a strong scientific and clinical rationale to support such accelerated development approach under the NMPA regulatory framework, subject to the completion of the necessary regulatory communications and approvals.

Historically, we submitted separate IND applications to the NMPA for the development of TLL-018 in AD and SLE in February 2023 and June 2023, respectively, and obtained the corresponding IND approvals in April 2023 and August 2023. Such IND submissions were primarily intended to support the clinical exploration of TLL-018 in these additional indications and preserve future development flexibility, but did not by themselves establish the regulatory basis for direct initiation of Phase II/III registrational trials in such indications. As we prioritized the clinical development of TLL-018 in RA and CSU during such period, we did not initiate patient clinical trials in AD or SLE following the receipt of such IND approvals.

Following the advancement of TLL-018 into late-stage clinical development in RA and CSU, we further progressed our indication expansion strategy for AD through additional regulatory communications with the NMPA regarding the proposed Phase II/III registrational development plan for AD. Based on the feedback received from the NMPA and the accumulated clinical data package for TLL-018, we subsequently submitted an IND application in February 2026 for a Phase II/III registrational trial in AD. We received IND approval for this trial in May 2026 and expect to initiate such trial in the second quarter of 2026.

Similarly, prior to initiating any registrational Phase II/III clinical trial for SLE, we expect to conduct further regulatory communications with the NMPA and obtain the corresponding regulatory approvals for the proposed development plan and clinical trial protocol. We plan to submit the clinical protocol for the Phase II/III registrational trial to the NMPA in the first quarter of 2027. Subject to regulatory approval, we currently expect to initiate the Phase II/III registrational trial for SLE in the third quarter of 2027.

The following table sets forth details of TLL-018’s clinical development plan:

Indication	Trial Phase	Location	Trial Status	(Expected) Trial start date	(Expected) Trial completion date
CSU	Phase III registrational trial	China	Ongoing	March 2024	(Q4 2026)
RA	Phase III registrational trial	China	Ongoing	November 2023	(Q4 2026)
AD	Phase II/III registrational trial	China	Planned	(Q2 2026)	(2028)
SLE	Trial initiation	China	Planned	(Q3 2027)	(2030)

Abbreviations: Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter

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Other Clinical Development Activities and Regulatory Pathways for TLL-018

In addition to the core clinical development programs of TLL-018 in RA, CSU, AD and SLE, we have conducted and are conducting a number of other clinical studies for TLL-018 as part of our broader clinical development strategy. These clinical studies generally fall into two categories: (i) clinical pharmacology and supportive studies intended to support future NDA submissions and labeling, and (ii) additional clinical studies conducted primarily based on future market and commercialization considerations.

The first category consists of clinical pharmacology and supportive studies conducted primarily to support future NDA submissions, labeling requirements, dosing recommendations and long-term regulatory requirements for TLL-018. Under the applicable regulatory frameworks, such studies generally do not require separate IND approvals for new disease indications because they are not intended to evaluate efficacy in a new therapeutic indication, but rather to further characterize the pharmacokinetic, metabolic, safety, drug-drug interaction or special population profile of the same compound. Accordingly, these studies may be conducted pursuant to existing IND approvals previously obtained for TLL-018. These studies include:

- the completed mass balance and biotransformation study of TLL-018 in healthy subjects in China (CTR20243609);
- the completed Phase I renal impairment study evaluating the PK and safety of TLL-018 in subjects with renal impairment and healthy subjects (CTR20251733); and
- the ongoing hepatic impairment study (CTR20253288).

The second category consists of clinical studies conducted primarily based on future market access, commercialization and lifecycle management considerations. These studies are designed to support broader future clinical use, physician adoption, formulation optimization, special population dosing recommendations or long-term market competitiveness of TLL-018 following potential commercialization. Depending on the nature and purpose of the study, such studies may also be conducted pursuant to existing IND approvals previously obtained for TLL-018 and may not require separate IND approvals where no new therapeutic indication is involved. These studies include:

- the completed bioequivalence study evaluating the extended-release and immediate-release formulations of TLL-018 in healthy subjects in China (CTR20231983);
- the completed drug-drug interaction study evaluating the effect of hydrochlorothiazide on the PK of TLL-018 in healthy subjects in China (CTR20242978);
- the ongoing DDI study between TLL-018 and methotrexate in RA patients (CTR20252851);
- the ongoing DDI and QT/QTc study evaluating TLL-018 and loratadine in healthy subjects (CTR20255242); and
- the ongoing study evaluating the effect of TLL-018 on the PK of metformin hydrochloride tablets in healthy subjects (CTR20260097).

See “— Summary of Clinical Trial Results – Other Clinical Trials” for more details. The Company believes such clinical development activities are consistent with common industry practice for innovative small molecule drug development and support the long-term clinical and commercial positioning of TLL-018.

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

As of the Latest Practicable Date, we have not received any regulatory agency’s concerns or objections to our clinical development plans for TLL-018; no material unexpected or adverse changes have occurred since the date of issue of the regulatory approvals for TLL-018.

Summary of Clinical Trial Results

The following sets forth summary of all completed and ongoing clinical trials conducted for TLL-018 as of the Latest Practicable Date.

Key Clinical Trials

Completed Phase I clinical study in healthy subjects in the United States (NCT04243083)

This is a Phase I randomized, double-blind, placebo-controlled, dose-escalation study to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of TLL-018 following single and multiple ascending oral dose administration.

Trial design. The trial consisted of two parts: Part 1, including single ascending dose (SAD) and food effect assessments, and Part 2, a multiple ascending dose (MAD) phase. In Part 1, 48 healthy subjects in six cohorts received a single oral dose of TLL-018 or placebo in a 6:2 ratio under fasted conditions. To investigate food effect on the plasma PK profile, a separate panel of 12 subjects received a single 16 mg dose of TLL-018 under both fed and fasted conditions in two treatment periods. Part 2 enrolled 40 subjects in five cohorts who received oral doses of TLL-018 or placebo in a 6:2 ratio once daily (QD) for seven days, or twice daily (BID) for the 32 mg dose cohort, for six days followed by QD on Day 7.

Trial objectives. The primary objective of this trial is to evaluate the safety and tolerability of TLL-018 and to characterize its PK following oral SAD and MAD administration, as well as to determine the food effect on the PK profile of a single oral dose. The secondary objective is to explore preliminary evidence of the PD activity of TLL-018 following oral SAD and MAD administration.

Trial status. The trial was initiated in January 2020 and completed in December 2020. A total of 48 subjects were enrolled and all completed the study as planned.

Safety results. Single oral doses of TLL-018 ranging from 4 to 120 mg, as well as multiple daily oral doses of 16, 32, 64 and 120 mg QD for 7 days and 32 mg BID for 6 days and a single dose of 32 mg on Day 7, were well tolerated in healthy adult subjects. No drug-related safety concerns were raised and no SAEs occurred during the study.

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PK results. Oral doses of TLL-018 were rapidly absorbed, with median T_{max} values between 0.5 to 1.0 hours following single and multiple doses. C_{max} and AUC increased in an approximately dose proportional manner following single doses ranging from 4 mg to 120 mg, and multiple doses from 16 mg to 120 mg QD and 32 mg BID. The elimination half-life ranged from approximately 3 to 10 hours.

With repeated dosing, total body clearance of TLL-018 ranged from approximately 22 to 30 L/h for most doses. Renal clearance was substantial, with an average of 49.2% of a 16 mg dose and 39.0% of a 120 mg dose being eliminated in the urine. The volume of distribution exceeded 135L in most dose cohorts, indicating TLL-018 was widely distributed throughout the body.

Food intake reduced C_{max} of TLL-018 by approximately 30% and delayed absorption, with median T_{max} increasing to 3.0 hours in the fed state compared to 0.5 hours in the fasted state following a 16 mg dose. However, the extent of absorption, based on AUC values, was not significantly affected by a high-fat meal.

Completed Phase I PK bridging study in healthy subjects in China (CTR20211405)

This bridging study was conducted to ascertain if there is ethnic difference in PK of TLL-018 between Americans and Chinese. This is a Phase I randomized, double-blinded, placebo-controlled, single-dose escalation study to evaluate the safety, tolerability, and pharmacokinetics of TLL-018 in healthy Chinese subjects.

Trial design. A total of 30 subjects, comprising of 3 cohorts (8mg, 16mg and 32mg) of 10 subjects each, were randomized in an 8:2 ratio to receive a single oral dose of TLL-018 or placebo. PK and safety profile were evaluated for 7 days after the single dose.

Trial objectives. The primary objective of this trial is to characterize the PK profile of TLL-018 following oral SAD administration. The secondary objective is to evaluate the safety of TLL-018 following oral SAD administration.

Trial status. The trial was initiated in September 2021 and completed in November 2021. A total of 20 healthy subjects were enrolled and all completed the trial as planned.

PK results. TLL-018 was absorbed rapidly after oral administration, with a median T_{max} of 0.5 hour. From 8 mg to 16 mg, C_{max} and AUC increased proportionally with dose. The elimination half-life was about 2 to 2.5 hours. The mean apparent volume of distribution exceeded 80L, indicating that TLL-018 was widely distributed throughout the body. There was no significant difference in PK properties between Chinese and American subjects. The mean $AUC_{0-\infty}$ values were 292 and 638 ng/ml*hr at 8 mg and 16 mg, respectively, comparable to 301 and 608 ng/ml*hr in Americans.

Safety results. TLL-018 was well tolerated, with no death or SAE reported.

Key Clinical Trials for CSU

Completed Phase Ib clinical study in patients with moderate-to-severe CSU in China (CTR20221071)

This is a randomized double-blind, placebo-controlled pilot study of TLL-018 to evaluate its safety, PK profile and efficacy in adults with moderate-to-severe CSU who had inadequate response to antihistamine in China.

Trial design. Patients with uncontrolled urticaria under a high dose, switching to a different type of antihistamine or combination of antihistamine treatment for at least 28 days before randomization were assigned 1:1:1 to receive 10mg, 30mg TLL-018, or placebo orally twice daily (BID), stratified by prior biological therapy. After four weeks of treatment, the placebo group was switched to TLL-018 20 mg BID while the TLL-018 10 mg and 30 mg groups continued their respective treatments for an additional eight weeks. All participants entered a four-week safety follow-up upon completion of treatment.

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Trial objectives. The primary purpose was to evaluate the safety and PK parameters of TLL-018 in the treatment of subjects with moderate-to-severe CSU. The secondary purposes were to evaluate the efficacy and quality of life impact of TLL-018 in the treatment of subjects with moderate-to-severe CSU.

Trial status. The trial was initiated in August 2022 and completed in December 2023. A total of 41 subjects were enrolled after randomization, including 14 in TLL-018 10 mg group, 14 in placebo group with one withdrawing after 2 weeks of dosing, and 13 in TLL-018 30 mg group.

Safety results. TLL-018 was well tolerated among all dosage groups in moderate-to-severe CSU patients with inadequate response to high doses, switching to a different type of antihistamine or a combination of antihistamine treatment. TEAEs were mostly mild to moderate (Grade 1 or 2) in severity and occurred at similar frequencies across treatment groups, with no SAEs reported. No AEs of special interest, such as malignancies, major adverse cardiovascular events (MACEs), active tuberculosis, or gastrointestinal perforations, were observed. AEs associated with TLL-018 were consistent with those reported for other JAK inhibitors. TRAEs reported in $\geq 5.0\%$ of subjects by system organ classes (SOC) were mainly laboratory test abnormalities, infections and infestations. The most common TRAEs ($\geq 5.0\%$) reported by preferred term (PT) included elevated creatine phosphokinase, positive urinary occult blood and upper respiratory tract infections. The table below sets forth details of AEs in this trial.

Events, n (%)	Placebo to TLL-018 20 mg				
	Placebo Week 0-4 (N=14)	TLL-018 20 mg Week 5-12 (N=13)	Total Week 0-12 (N=14)	TLL-018 10 mg Week 0-12 (N=14)	TLL-018 30 mg Week 0-12 (N=13)
AE	5 (35.7)	9 (69.2)	12 (85.7)	12 (85.7)	13 (100)
TRAE	4 (28.6)	5 (38.5)	8 (57.1)	5 (35.7)	10 (76.9)
AE leading to					
discontinuation	1 (7.1)	0	1 (7.1)*	1 (7.1)**	0
AE leading to withdrawal . . .	0	0	0	0	0
SAE	0	0	0	0	0
Death	0	0	0	0	0
Grade ≥ 3 AE	0	0	0	1 (7.1)	2 (15.4)***
Grade ≥ 3 TRAE	0	0	0	1 (7.1)****	0

Abbreviations: AE = Adverse Event; SAE = Serious Adverse Event; TRAE = Treatment-Related Adverse Event

* One patient receiving placebo withdrew from the study due to Grade 1 AEs of heart rate increase, neck pain, dysphonia, nausea, and palpitations.

** One patient in the TLL-018 10 mg group tested positive for T-spot at Week 4, with the results confirmed by re-examination one week later. The patient exhibited no other pulmonary or extrapulmonary symptoms. Considering the risk of occult tuberculosis infection, the patient discontinued treatment.

*** The two unrelated Grade ≥ 3 AEs were COVID-19 pneumonia caused by the pandemic, which led to voluntary discontinuation of the treatment, and elevated creatine phosphokinase elevation due to exercise. The physical examination for the patient with elevated creatine phosphokinase elevation was normal and the patient completed the study.

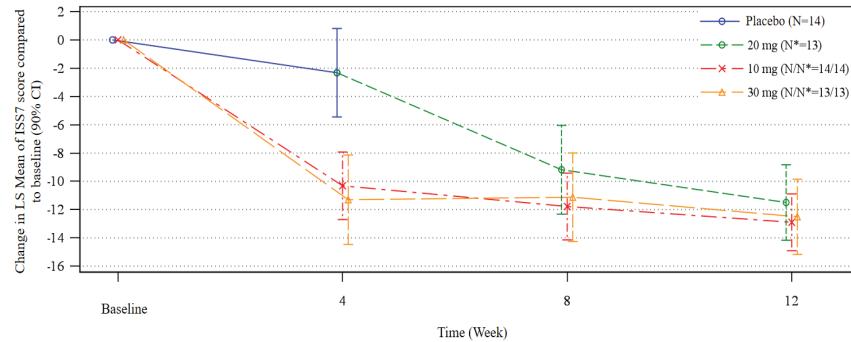
**** The only treatment-related Grade ≥ 3 AE was a case of hypertriglyceridemia in the TLL-018 10 mg group. Prior to treatment, the patient had a history of fatty liver disease, hyperlipidemia, hypertension and impaired glucose tolerance. The triglyceride level for this patient was 4.82 mmol/L (Grade 2) at baseline, 3.27 mmol/L (Grade 1) at Week 4, 3.71 mmol/L (Grade 2) at Week 8 and 5.89 mmol/L (Grade 3) at Week 12, respectively. The patient exhibited no related clinical symptoms during the trial.

Efficacy results. TLL-018 demonstrated promising efficacy in this trial, showing significant improvements in disease control observed in TLL-018 10 mg and 30 mg groups. At Week 4, the least squares (LS) mean change in UAS7/ISS7 from baseline was -19.1/-10.3 for the TLL-018 10 mg group ($P < 0.01$ vs. placebo) and -23.6/-11.3 for the 30 mg group ($P < 0.0001$ vs. placebo), compared to -7.5/-2.3 for the placebo group, which indicated TLL-018 provided superior overall control of disease activity in the CSU than placebo. LS mean change from baseline in dermatology life quality index (DLQI) were -0.3, -5.1 and -4.3 for the placebo group, the TLL-018 10 mg and

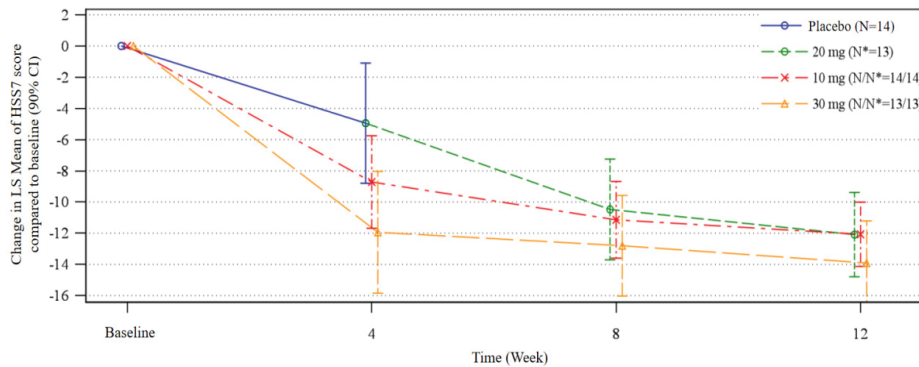
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30 mg groups, respectively. Significant efficacy benefits were observed across all three dose groups by Week 12. In particular, patients’ UAS7, ISS7, HSS7 (Hives Severity Score over 7 days) and DLQI scores at Weeks 4, 8 and 12 significantly reduced showing a continuous downward trend as the treatment time extended. By Week 12, change from baseline in UAS7/ISS7 was -23.3/-11.5, -24.8/-12.9 and -26.5/-12.5 for the placebo-to-20mg group, TLL-018 10mg and 30mg groups, respectively. The proportion of patients achieving UAS7≤6/UAS7=0 was 53.8%/38.5%, 71.4%/64.3% and 61.5%/53.8% for the placebo-to-20mg, TLL-018 10mg and 30mg groups, respectively.

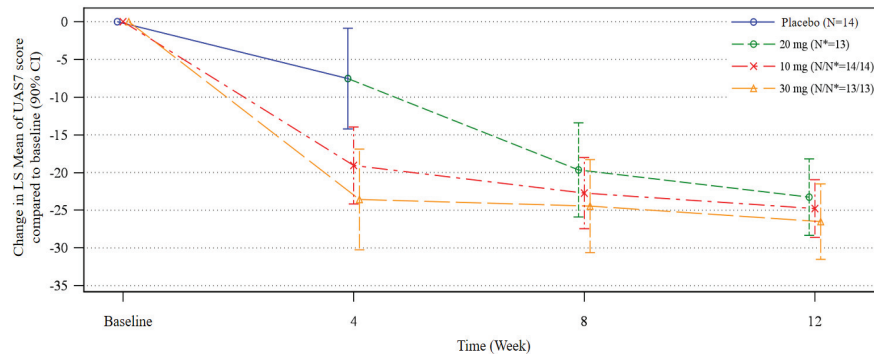
ISS7: Excellent and rapid control of itching even at low dose



HSS7: Hives response is dose dependent



UAS7: Overall low dose is sufficient



Abbreviations: UAS7 = weekly Urticaria Activity Score; ISS7 = weekly Itch Severity Score; HSS7 = weekly Hives Severity Score

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Ongoing Phase III clinical study in patients with moderate-to-severe CSU in China (CTR20240829)

This is a multicenter, randomized, double-blind, placebo-controlled Phase III study to evaluate the efficacy and safety of TLL-018 in patients with moderate-to-severe CSU who had inadequate control to second-generation H1 antihistamines.

Trial design. This trial consists of a screening period and two treatment parts. Part 1 is a 12-week randomized, double-blind, placebo-controlled study to compare, with stable treatment of a second-generation H1 antihistamines at standard dose as background treatment, the efficacy and safety of TLL-018 with placebo in patients with moderate-to-severe who had inadequate control to second generation H1 antihistamines, as well as to assess TLL-018’s population PK profile. Part 2 is a 40-week extension treatment period for subjects who completed Part 1 to evaluate TLL-018’s safety and efficacy of long-term treatment in the subjects.

In the first part of the study, 436 subjects with moderate-to-severe CSU are estimated to be randomized in a 3:1 ratio to the trial group (TLL-018 10 mg BID) and the control group (placebo), stratified by disease severity at baseline and prior use of biologics (omalizumab and its biosimilars) for the treatment of CSU for 12 weeks. Following the assessment by Week 12 in Part 1, subjects will proceed to Part 2, where the TLL-018 will continue treatment at prior dose while the placebo group will be switched to TLL-018 10 mg BID treatment for 40 weeks. There will be a safety follow-up visit for 28±3 days following the completion of treatment for 52 weeks in total.

Trial objectives. The primary objectives of this trial are to compare TLL-018’s improvement in itch severity and urticaria activity in patients with moderate-to-severe who had inadequate control to second generation H1-antihistamines with placebo by Week 12. Secondary objectives include comparing the efficacy of TLL-018 against placebo at Week 12 in controlling hives, the proportion of patients achieving good control and complete control of urticaria activity, the proportion of patients with DLQI 0/1 and the improvement in DLQI, as well as confirming TLL-018’s safety and tolerability.

Trial status. The trial was initiated in March 2024 and is currently ongoing. We completed patient enrollment in July 2025. We expect to complete this trial in the fourth quarter of 2026.

The primary efficacy analysis for the Phase III CSU trial was performed in January 2026, and the trial met both primary endpoints. In particular, TLL-018 was fast-acting, demonstrating efficacy in ISS, HSS, and UAS as early as Day 2. Furthermore, TLL-018 achieved durable responses, with further improvements beyond Week 12 and sustained efficacy up to Week 52. In terms of safety, TLL-018 delivered favorable results: rates of SAEs and AEs requiring intervention were comparable to placebo, and no MACE or drug-related malignancies were reported. Notably, TLL-018 was associated with a lower frequency of ALT/AST elevations than placebo, and no liver injury was observed. Overall, AEs in this trial were mild to moderate in severity and consistent with the expected target-related profile.

Key Clinical Trials for RA

Completed Phase IIa clinical study in patients with active RA in China (CTR20212789)

This is a Phase IIa randomized, double-blind, double-simulated, parallel-controlled study to evaluate the efficacy and safety of TLL-018 compared to tofacitinib in patients with active RA who have inadequate response or intolerance to methotrexate.

Trial design. 100 methotrexate-resistant or intolerant patients with active rheumatoid arthritis were estimated to be enrolled for 24 weeks of treatment. In the first part (0-12 weeks), subjects were randomized in a 1:1:1:1 ratio to receive TLL-018 10mg BID, 20mg BID, 30mg BID, or the positive control, tofacitinib 5mg BID. In the second part (12 weeks-24 weeks), those who failed to achieve ACR50 response at Week 12 in the TLL-018 10 mg BID and tofacitinib 5 mg BID groups were switched to TLL-018 20 mg BID group, while those who failed to achieve ACR50 response at Week

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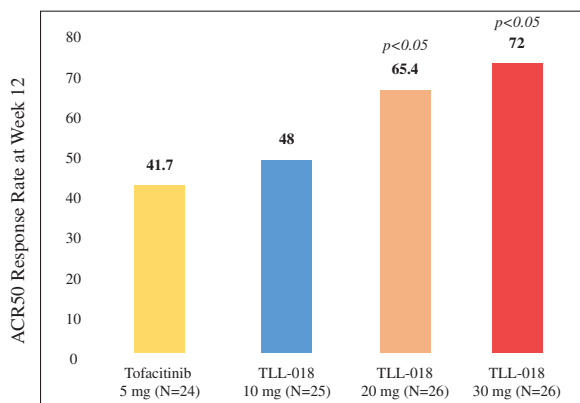
12 in the TLL-018 20 mg BID and 30 mg BID groups were switched to the TLL-018 30 mg BID for continued treatment until the completion of the trial. This is the first head-to-head comparative trial of single-agent against the active comparator tofacitinib for the treatment of RA.

Trial objectives. The primary purpose was to evaluate the efficacy of each treatment group in patients with active RA who had an inadequate response or intolerance to methotrexate. The secondary purposes were to assess the safety, PK and PD profile of each treatment group.

Trial status. The trial was initiated in February 2022 and completed in August 2023. A total of 101 subjects were enrolled in this study. Among them, 25 were assigned to TLL-018 10 mg BID group, 26 to the TLL-018 20 mg BID group, 26 to the TLL-018 30 mg BID group and 24 to the control group receiving tofacitinib 5 mg BID. All subjects received at least one dose of the investigational product.

Efficacy results. In the first part of this study, the ACR50 response rates were 48.0%, 65.4% and 72.0% for the TLL-018 10mg, 20mg and 30mg groups, respectively, compared to 41.7% for the tofacitinib 5mg group in Week 12. ACR50 is a measurement of disease activity improvement for RA. Statistical comparisons between the TLL-018 20 mg and 30 mg groups and the tofacitinib control group showed significant differences ($P<0.05$), with the middle and high-dose TLL-018 groups demonstrating superior efficacy.

ACR50 Response Rate at Week 12



The proportion of subjects with a DAS28-hsCRP<2.6 in Week 12 was 39.1% (9/23) in the TLL-018 10mg group, 37.5% (9/24) in the 20mg group, 52.2% (12/23) in the 30mg group, and 17.4% (4/23) in the tofacitinib 5mg group. DAS28-hsCRP is a composite scoring system that incorporates high-sensitivity C-reactive protein (hsCRP), an inflammatory marker, and is widely used to evaluate treatment efficacy and in monitoring disease activity in RA. All TLL-018 groups achieved higher rates of clinical remission.

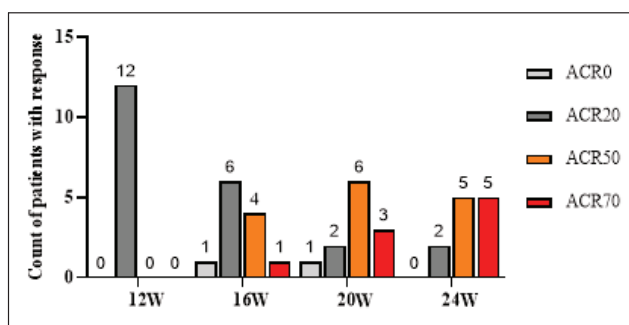
Notably, the TLL-018 20 mg and 30 mg groups also demonstrated statistically significant improvements in DAS28-hsCRP, Clinical Disease Activity Index (CDAI), physician global assessment (PGA), and patient global assessment (PtGA) compared to the tofacitinib group at Week 12. In contrast, Visual Analog Scale (VAS) scores, a validated, subjective measure for acute and chronic pain, were higher in the tofacitinib group than in the TLL-018 20 mg and 30 mg groups.

In subjects with prior use of JAK inhibitors (efficacy unknown), the ACR50 response rates were 60% (3/5), 66.7% (6/9), and 100% (4/4) in the TLL-018 10mg, 20mg, and 30mg groups, respectively, compared to 66.7% (6/9) in the tofacitinib group. In subjects with prior use of biologic disease-modifying anti-rheumatic drugs (bDMARDs), the ACR50 response rates were 20% (2/10), 61.5% (8/13), and 71.4% (10/14) in the TLL-018 10 mg, 20 mg, and 30 mg groups, respectively, compared to 41.2% (7/17) in the tofacitinib group. TLL-018 20 mg and 30 mg dose groups demonstrated statistically significant superior efficacy compared to tofacitinib.

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In the second part of this study, patients who were switched from the tofacitinib group to the TLL-018 20 mg group showed significantly greater improvement. Of 13 subjects who were in the tofacitinib group and transferred to TLL-018 20mg, 1 withdrew at Week 16 (ACR20), 10 of 12 who completed Week 24 (83.3%) achieved ACR50, 5 of 12 (41.7%) achieved ACR70 at Week 24. Notably, from Week 12 to Week 24, patients who had not achieved an ACR50 response at Week 12 but were switched to TLL-018 20 mg subsequently attained ACR50, suggesting that TLL-018 20 mg may effectively overcome resistance to tofacitinib.

TLL-018’s Potential to Overcome Resistance to Tofacitinib



Safety results. During the study period, no subjects treated with TLL-018 experienced unexpected serious adverse events (SAEs) such as malignancies, MACEs or thromboembolic events.

Compared with the tofacitinib group, the TLL-018 groups demonstrated a favorable overall safety profile, as evidenced by the incidence and distribution of TEAEs across SOC, laboratory findings, and the occurrence of SAEs. Most TEAEs were mild in severity, with no significant differences between treatment groups. The TEAE incidence in the TLL-018 10 mg group was slightly lower than that in the tofacitinib group, while the 20 mg and 30 mg groups showed comparable safety profiles.

Over the 12-week study period, the incidence of TLL-018-related SAEs was 1.3%, which is notably lower than the 4.1% reported for upadacitinib in the SELECT-NEXT trial according to published data. Furthermore, no TLL-018-related TEAEs led to treatment discontinuation, compared with a 3.2% discontinuation rate reported for upadacitinib, suggesting the AEs observed with TLL-018 were milder than those reported for upadacitinib.

The most commonly reported AEs in the TLL-018 groups included infections (e.g., respiratory tract infections, urinary tract infections, and herpes zoster) and lipid disorders, which are consistent with known adverse effects of JAK1 inhibitors. No unexpected SAEs were observed compared with similar drugs. Some respiratory infections may have been associated with the COVID-19 outbreak in China between December 2022 and March 2023. The table below sets forth a summary of the safety data during the first 12 weeks of this study.

Events, n (%)	Tofacitinib 5 mg (N=24)	TLL-018 10 mg (N=25)	TLL-018 20 mg (N=26)	TLL-018 30 mg (N=26)
TEAE	19 (79.2)	16 (64.0)	25 (96.2)	21 (80.8)
SAE	1 (4.2)	0	1 (3.8)**	0
TEAE leading to discontinuation	1 (4.2)	0	0	0
Infection	4 (16.7)	6 (24.0)	6 (23.1)	6 (23.1)
Serious infection	0	0	2 (7.7)	0
Opportunistic infection	0	0	0	0
Herpes zoster	0	0	2 (7.7)	0
Positive T-spot	0	0	0	1 (3.8)

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Events, n (%)	Tofacitinib 5 mg (N=24)	TLL-018 10 mg (N=25)	TLL-018 20 mg (N=26)	TLL-018 30 mg (N=26)
Hepatic disorder	0	1 (4.0)	1 (3.8)	0
Gastrointestinal perforation . . .	0	0	0	0
Malignancy.	1 (4.2)*	0	0	0
MACE	0	0	0	0
Death	0	0	0	0

Abbreviations: TEAE = Treatment-emergent Adverse Event; SAE = Serious Adverse Event; MACE = Major Adverse Cardiovascular Event

* Ovarian cancer

** A case of herpes zoster was reported in the TLL-018 20 mg group. Approximately three weeks after treatment initiation, the subject developed perianal pain and erythematous papular rash. She was hospitalized for herpes zoster, study medication was interrupted, and she received standard therapy. Ten days after drug interruption, at the Week 4 visit, her condition was stable and study treatment was resumed. At Week 8, no new rash was reported and the herpes zoster was nearly resolved. By Week 12, no new lesions were observed, postherpetic neuralgia had resolved, and herpes zoster was fully recovered. The SAE was considered resolved by study end and did not lead to study discontinuation. We have not received any material concerns from the NMPA regarding this SAE that would delay the development of TLL-018.

Ongoing Phase III clinical study in patients with active RA in China (CTR20232662)

This is a randomized, double-blind, positive-controlled Phase III study to evaluate the efficacy and safety of TLL-018 compared to tofacitinib in patients with active RA who had inadequate response or intolerance to biologic disease-modifying anti-rheumatic drugs (bDMARDs).

Trial design. This study consists of two parts. Part 1 is a 24-week randomized, double-blind, positive-controlled trial comparing the efficacy of TLL-018 monotherapy with tofacitinib monotherapy in patients with active RA who had inadequate response or intolerance to bDMARDs. The safety and PK profile of TLL-018 will also be assessed. Part 2 is a 28-week extension study in patients who completed the first part to evaluate TLL-018’s safety and efficacy of long-term treatment in the subjects. The whole study consists of a screening period of 42 weeks, a randomized, double-blind and positive-controlled comparison phase of 24 weeks (part 1), an extension phase of 28 weeks (part 2) and a safety follow-up visit of 28 days.

In the first part of the study, 450 subjects are expected to be randomized in a 1:1 ratio to the trial group (TLL-018 20 mg BID) and the control group (tofacitinib 5 mg BID), stratified by prior use of JAK inhibitors and biologics. Following the efficacy assessment by Week 24 in the first part, subjects will proceed to the second part. In this part, the TLL-018 20 mg group will continue their prior treatment. Subjects in the control group who do not achieve ACR50 will be switched to TLL-018 20 mg BID, while those achieving ACR50 will continue their prior treatment. All subjects in the second part will remain blinded.

Trial objectives. The objective for the first part is to evaluate the efficacy of TLL-018 and tofacitinib in treating patients with active RA who had inadequate response or intolerance to bDMARDs, with secondary objectives including the assessment of TLL-018’s safety and PK profile. The objective for the second part is to evaluate TLL-018’s safety and efficacy of long-term treatment in patients with active RA who had inadequate response or intolerance to bDMARDs. The primary endpoint is the proportion of patients who achieved a 50% improvement in ACR criteria (ACR50) at Week 24.

Trial status. The trial was initiated in November 2023 and is currently ongoing. We completed the patient enrollment in July 2025, with 459 patients enrolled. We conducted primary efficacy analysis in April 2026. According to the primary efficacy analysis, the trial met its primary endpoint and all secondary endpoints. TLL-018 demonstrated superior efficacy over tofacitinib in terms of the ACR50 rate at Week 24, the primary endpoint, as well as key secondary endpoints ($P<0.0001$), including the ACR20/70 rates, the proportion of subjects with DAS28 $\leq$ 3.2 and DAS28 $<$ 2.6, and the

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proportion of subjects with low disease activity (LDA) who achieved $CDAI \leq 10$. In addition, patients who did not reach ACR50 in the tofacitinib group achieved better efficacy after being transferred to the TLL-018 group, indicating that TLL-018 may still be effective in patients with poor response to both biologics and JAK inhibitors, representing a difficult-to-treat population in overall RA patients. TLL-018 and tofacitinib demonstrated similar safety profiles, with no new or unexpected safety signal observed with TLL-018. We expect to complete this trial in the fourth quarter of 2026.

After completing 52-week treatment in part 1 and part 2 of this trial, certain subjects are also enrolled in a long-term extension Phase III clinical study. For more details, see “— Other Clinical Trials — Ongoing long-term extension study in patients with active RA in China (CTR20244903).”

Other Clinical Trials

Completed bioequivalence study in healthy subjects in China (CTR20231983)

This is a human bioequivalence study evaluating TLL-018 extended-release formulation (ER, 50 mg QD) and TLL-018 immediate-release formulation (IR, 20 mg BID) in healthy Chinese subjects at single dosing and steady state. A total of 29 subjects were enrolled, of whom 26 subjects completed the trial. Under single-dose conditions, 90% CI for the geometric mean ratios (IR vs. ER) of AUC_{0-t} and $AUC_{0-\infty}$ were within the predefined bioequivalence range of 80.0%-125.0%, demonstrating bioequivalence. Under multiple-dose conditions, the 90% CI for the geometric mean ratio of AUC_{0-24} fell outside the bioequivalence range, and bioequivalence at steady state was not demonstrated. Seven mild TEAEs and six mild TRAEs were reported in four subjects. No SAEs occurred. There was no significant difference in TEAEs between the two formulations, and all TEAEs resolved. The study was completed in August 2023.

Completed mass balance and biotransformation study of TLL-018 in healthy adult male subjects in China (CTR20243609)

This is a single-center, non-randomized, open-label mass balance and biotransformation study of TLL-018 in healthy adult male subjects in China. Six subjects were enrolled, all of whom received a single oral dose of approximately 20 mg/140 μ Ci TLL-018 under fasting conditions and completed the study. TLL-018 was rapidly absorbed, with total radioactivity in plasma and whole blood reaching C_{max} at 0.5 hours, followed by rapid distribution and elimination. The whole blood-to-plasma total radioactivity ratios were generally ≤ 1 , indicating no preferential association of TLL-018 and its metabolites with blood cells. Excretion was largely complete within 72 hours post-dose, with a mean cumulative recovery of 94.62% of administered radioactivity, predominantly via urine (90.03%). A total of eight metabolites, in addition to parent TLL-018, were identified in human plasma, urine and feces. Parent TLL-018 was the predominant circulating component in plasma (59.78% of total exposure). The major metabolic pathways of TLL-018 were inferred to include CYP-mediated oxidative metabolism, glucuronidation, and sequential hydrolysis, decarboxylation, and reduction reactions. TLL-018 was generally well tolerated, with no safety or tolerability concerns identified. The study was completed in November 2024.

Completed study to evaluate the effect of hydrochlorothiazide on the pharmacokinetics of TLL-018 in healthy subjects in China (CTR20242978)

This is a single-center, non-randomized, open-label, self-controlled clinical study conducted in healthy Chinese subjects to evaluate the effect of hydrochlorothiazide on the PK of TLL-018. A total of 16 subjects were enrolled and received TLL-018 administered alone and in combination with hydrochlorothiazide in steady state. Compared with TLL-018 administered alone, co-administration with hydrochlorothiazide had no meaningful impact on median T_{max} of TLL-018, while the mean terminal half-life was prolonged from 3.98 hours to 5.43 hours. Mean plasma clearance decreased by approximately 34%, and systemic exposure to TLL-018 increased, with mean C_{max} and AUC increased by approximately 40% and 53%, respectively. The inter-subject

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variability of TLL-018 exposure following co-administration was comparable to that observed with TLL-018 alone. The 90% CI for the geometric mean ratios of C_{max} , AUC_{0-t} and $AUC_{0-\infty}$ were generally above the upper boundary of the conventional bioequivalence range of 80.0%-125.0%, indicating a PK drug-drug interaction (DDI) and a clinically relevant increase in TLL-018 exposure when co-administered with hydrochlorothiazide. TLL-018 administered alone and in combination with hydrochlorothiazide was generally well tolerated in healthy subjects, and the observed adverse events were mild and manageable. The study was completed in September 2024.

Completed Phase Ib clinical study in patients with moderate-to-severe plaque psoriasis in China (CTR20220822)

This is a randomized, double-blind, placebo-controlled, multi-center Phase Ib clinical trial evaluating the safety, PK and efficacy of TLL-018 in patients with moderate-to-severe plaque psoriasis in China. A total of 73 subjects were enrolled. Subjects were randomly assigned to receive TLL-018 10 mg, 20 mg, 30 mg or placebo in a 2:2:2:1 ratio orally BID for 12 weeks. TLL-018 was well tolerated, and most TEAEs were mild or moderate. At week 12, 40% of patients (8 of 20) achieved Psoriasis Area and Severity Index (PASI) 75 with TLL-018 10 mg, 48% (10 of 21) with 20 mg, 62% (13 of 21) with 30 mg and 9% (1 of 11) with placebo. The proportions of patients with Physician's Global Assessment (PGA) 0/1 were 35%, 43%, 71% and 0%, respectively. Of the 21 patients in the TLL-018 30-mg group, 10 (48%) achieved a $\geq 90\%$ improvement from baseline in PASI. The study was completed in August 2023.

Completed Phase II clinical study in patients with moderate-to-severe plaque psoriasis in the United States (NCT05772520)

This is a randomized, double-blind, placebo-controlled, multi-center Phase II study evaluating the efficacy and safety of TLL-018 in patients with moderate-to-severe plaque psoriasis in the United States. A total of 82 subjects were enrolled. Subjects were designed to be randomized in a 2:2:1 ratio to receive TLL-018 40 mg, TLL-018 20 mg or placebo orally BID for 12 weeks. TLL-018 was generally well-tolerated. Most TEAEs were mild or moderate. No SAEs or fatal AEs were reported. 16 subjects (19.5%) experienced TEAEs requiring treatment and four subjects (4.9%) discontinued study treatment due to TEAEs. The efficacy results are not applicable due to the widespread poor compliance in taking the study drug as evident from the high percentage of subjects (36.8%) who had undetectable drug levels (BQL subjects). An ad-hoc analysis excluding the BQL subjects showed that the efficacy was similar to those in a corresponding study conducted in China. The study was completed in May 2024.

Ongoing long-term extension study in patients with active RA in China (CTR20244903)

This is a multicenter, open-label, long-term extension clinical study designed to evaluate the safety, tolerability and efficacy of TLL-018 in patients with active RA in China. Approximately 200 to 350 patients who have completed the 52-week of the prior Phase III study of TLL-018 in RA (CTR20232662) are expected to be enrolled. All subjects will receive TLL-018 at a dose of 20 mg orally BID for up to 78 weeks. The study was initiated in March 2025 and is still ongoing, expected to be completed in the first quarter of 2028.

Completed Phase I study in subjects with mild or moderate renal impairment and in healthy subjects in China (CTR20251733)

This is a Phase I, single-center, non-randomized, open-label, parallel-group, single-dose study to evaluate the PK, safety, and tolerability of TLL-018 in subjects with mild or moderate renal impairment and in healthy subjects. The study aims to characterize the PK of TLL-018 following a single oral dose and to support dosing recommendations for patients with renal impairment. 24 subjects were enrolled into three parallel cohorts (healthy, mild renal impairment, and moderate renal impairment). Each subject received a single oral dose of TLL-018 30 mg under fasting conditions. The duration of study participation for each subject was approximately 21 days,

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including a screening period of up to 14 days, a clinical phase of 3 days, and a post-discharge follow-up of 4 days. The results demonstrated that systemic exposure to TLL-018 increased with worsening renal function, with reduced clearance and prolonged half-life, particularly in participants with moderate renal impairment, while mild renal impairment had minimal impact on drug clearance. TLL-018 was generally well tolerated with no SAEs or study discontinuations reported. Drug-related AEs were mainly mild to moderate metabolic abnormalities and were more frequent in the moderate renal impairment group. No TRAEs were observed in participants with mild renal impairment. These findings support standard dosing in patients with mild renal impairment, while a cautious, individualized dosing strategy with close safety monitoring is recommended for patients with moderate renal impairment. We completed this study in January 2026.

Ongoing study to evaluate the DDI between TLL-018 and methotrexate tablets in patients with RA in China (CTR20252851)

This is a single-center, open-label clinical study designed to evaluate the DDI between TLL-018 tablets and methotrexate tablets in patients with RA in China. Approximately 16 subjects are planned to be enrolled. Subjects will receive methotrexate tablets on Day 1 with an initial dose followed by a second dose 12 hours later, and subsequently QD from Day 3 through Day 7. TLL-018 tablets (10 mg per tablet) will be administered at a dose of 20 mg BID from Day 3 through Day 9. We expect to complete this trial in the fourth quarter of 2026.

Ongoing study to evaluate the PK of TLL-018 tablets in subjects with hepatic impairment and subjects with normal hepatic function in China (CTR20253288)

This is a single-center, open-label, parallel-group, single-dose clinical study designed to evaluate the PK and safety of TLL-018 tablets in subjects with hepatic impairment and in age-, body weight-, and sex-matched subjects with normal hepatic function. The study aims to characterize the PK profile and safety of TLL-018 following a single oral dose in subjects with varying degrees of hepatic impairment compared with subjects with normal hepatic function. A total of approximately 24 to 28 subjects are planned to be enrolled and assigned to three cohorts: Cohort 1 will include eight subjects with mild hepatic impairment; Cohort 2 will include eight subjects with moderate hepatic impairment; and Cohort 3 will include eight to 12 subjects with normal hepatic function matched to subjects in Cohorts 1 and 2. At least six evaluable subjects are required in each cohort. All subjects will receive a single oral dose of TLL-018 20 mg (10 mg per tablet) under fasting conditions on the morning of Day 1, and PK sample collection and safety assessments will be completed by Day 3. We expect to complete this trial in the fourth quarter of 2026.

Ongoing study to evaluate the DDI between TLL-018 tablets and loratadine tablets and the effect of TLL-018 on QT/QTc intervals in healthy subjects in China (CTR20255242)

This is a single-center, randomized, double-blind, placebo-controlled study conducted in healthy subjects in China to evaluate the DDI between TLL-018 and loratadine, as well as the effect of TLL-018 on QT/QTc intervals. Approximately 34 subjects are planned to be enrolled into three dose groups (20 mg, 60 mg, and 120 mg). The 20 mg group will assess both DDI and concentration-QTc (C-QTc) relationships through sequential administration of TLL-018 alone, loratadine alone, and their combination, while the 60 mg and 120 mg groups will evaluate QT/QTc effects following single-dose administration of TLL-018 or placebo. We expect to complete this trial in the fourth quarter of 2026.

Ongoing study to evaluate the effect of TLL-018 tablets on the PK of metformin hydrochloride tablets in healthy subjects in China (CTR20260097)

This is a single-center, non-randomized, open-label, self-controlled study conducted in healthy adult subjects in China to evaluate the effect of TLL-018 tablets on the PK of metformin hydrochloride tablets. Approximately 16 subjects are planned to be enrolled in the trial. On Day 1,

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subjects will receive a single oral dose of metformin hydrochloride tablets (500 mg, QD) under fasting conditions. From Days 4 to 7, subjects will receive TLL-018 tablets (30 mg, BID). On Day 6, subjects also receive a single oral dose of metformin hydrochloride tablets (500 mg, QD) co-administered with TLL-018. Subjects will be discharged on Day 9 after completing the required assessments. We expect to complete this trial in the fourth quarter of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TLL-018 SUCCESSFULLY.

HL-300

Overview

HL-300 is a highly potent, skin-restricted TYK2/JAK1/JAK2 inhibitor as a topical agent for mild-to-moderate AD. By selectively occupying the ATP-binding sites of JAK kinases, HL-300 disrupts JAK-STAT signaling, a pathway shared by multiple IL and IFN, thereby modulating the cytokine milieu that drives conditions such as AD, psoriasis, and chronic hand eczema. In *in vitro* pharmacodynamic studies, HL-300 exhibited potent inhibition of JAK1, JAK2 and TYK2. In preclinical mouse models, HL-300 produced clear dose-dependent reductions in ear swelling and scratching frequency, with effects sustained over the observation period. In the Phase I trial completed November 2024, topical application of HL-300 yielded minimal systemic exposure. HL-300 demonstrated favorable safety and tolerability profile with similarity of incidence, severity and type of TEAEs between HL-300 and placebo arms, among which all TRAEs classified as Grade 1 and no SAEs reported. We initiated a Phase Ib/II clinical trial of HL-300 for the treatment of mild-to-moderate AD in May 2026, and the trial is ongoing as of the Latest Practicable Date.

Drug Design and Mechanism of Action

JAK kinases are a family of four cytoplasmic tyrosine kinases, JAK1, JAK2, JAK3 and TYK2, which associate with the intracellular domains of type I and type II cytokine receptors. When a cytokine binds its receptor, the relevant JAKs are recruited, dimerize and undergo autophosphorylation, creating phosphotyrosine sites that recruit STAT transcription factors. Phosphorylated STATs dissociate, form homo- or heterodimers and translocate to the nucleus to drive expression of genes controlling cell survival, proliferation, differentiation and immune function. Dysregulated JAK-STAT signaling contributes to the pathology of autoimmune and inflammatory diseases, i.e. rheumatoid arthritis, psoriasis, atopic dermatitis and inflammatory bowel disease, by amplifying pro-inflammatory cytokine networks, i.e. interleukins and interferons. By selectively inhibiting JAK kinase activity, HL-300 block STAT phosphorylation and nuclear translocation, preventing transcription of inflammatory mediators and thereby reducing tissue inflammation and restoring immunologic balance in autoimmune disorders.

Market Opportunity and Competition

HL-300, as a topical, skin-restricted TYK2/JAK1/JAK2 inhibitor, targets a significant market opportunity within dermatological diseases. While systemic JAK inhibitors and biologics have transformed treatment for moderate-to-severe diseases, there remains a persistent demand for effective, safe, and convenient topical therapies. Current topical treatments, such as corticosteroids, have limitations, including potential side effects with long-term use and a lack of efficacy for more severe cases. Systemic JAK inhibitors, while highly effective, carry risks of systemic side effects, which makes a skin-restricted topical option highly desirable for patients who prefer to avoid systemic exposure or who have milder-to-moderate disease that does not warrant systemic therapy. There is also a need for treatments that provide better long-term disease control and management, and address the lack of personalized treatments.

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HL-300’s “skin-restricted” nature is a significant differentiator. By minimizing systemic exposure, it aims to offer a better safety profile compared to systemic JAK inhibitors, potentially making it a more attractive option for patients and physicians concerned about systemic side effects. Its targeted inhibition of TYK2/JAK1/JAK2 addresses key inflammatory pathways involved in these skin conditions, offering a mechanism of action that has shown promise in similar therapies. JAK inhibitors, as a class, have gained significant traction in inflammatory and autoimmune diseases. The approval of oral and topical JAK inhibitors for atopic dermatitis (e.g., ruxolitinib cream, abrocitinib, upadacitinib) and TYK2 inhibitors for psoriasis (e.g., deucravacitinib) demonstrates the efficacy of this mechanism. HL-300 can leverage this established class while offering a favorable safety profile due to its topical, skin-restricted delivery.

As of the Latest Practicable Date, there are two approved topical JAK inhibitors for dermatological diseases globally, and no topical JAK inhibitors have been approved in mainland China. As of the same date, there are more than 20 topical JAK inhibitors for dermatological diseases globally in clinical development, including more than 15 in China.

Key Advantages

- Compelling Phase I results exhibit minimal systemic exposure. In Phase I clinical trial, for healthy volunteers receiving single topical doses ranging from 6.25 mg to 50 mg, HL-300 produced low average C_{max} values of less than 1.0 ng/mL. Due to its rapid metabolism, the negligible systemic exposure observed after topical administration minimizes the risk of off-target effects and supports a high local drug concentration at the site of inflammation.
- Favorable safety and tolerability profiles. HL-300 demonstrates a highly manageable safety profile. In Phase I clinical trial, most TEAEs and all TRAEs were Grade 1, and the lone Grade 3 TEAE (fibrinogen decrease) was considered unrelated to study drug. No SAEs or Grade $\geq$ 3 TRAEs occurred. TEAE incidence was similar between HL-300 and placebo (48.3% vs. 42.9%), and TRAE rates were comparable (34.5% vs. 28.6%), with all events resolving or stabilizing by study end.

Clinical Development Strategy and Material Communications with Competent Authorities

Our clinical development strategy for HL-300 is designed to establish a foundational safety and pharmacokinetic profile for the molecule and subsequently expand its development across multiple dermatological and inflammatory indications with unmet medical needs. We believe HL-300 has the potential to serve as a differentiated topical therapy for inflammatory skin diseases due to its targeted mechanism of action and potential favorable local tolerability profile.

We commenced the clinical development of HL-300 by submitting two IND applications to the NMPA for mild-to-moderate AD and for mild-to-moderate plaque psoriasis in February 2024, and received the corresponding IND approvals for both indications in April 2024. These INDs were not limited to any specific phase of clinical development. Pursuant to the IND approval for AD, we initiated a Phase I clinical trial in healthy subjects in China in June 2024. Although conducted under the IND for AD, the initial clinical protocol submitted and cleared under such IND was a Phase I study in healthy subjects not designed to evaluate the efficacy of HL-300 for any specific indication, but rather to characterize its safety, tolerability and pharmacokinetic profile at the molecule level in humans. Under the NMPA regulatory framework, an IND for a therapeutic candidate intended for a specific disease indication may initially support Phase I studies in healthy volunteers prior to patient studies, particularly for small molecule drug candidates, in order to establish foundational safety and PK data and support subsequent dose exploration and clinical development in target patient populations. The resulting safety and PK data package is intended to support the subsequent clinical development of HL-300 across multiple dermatological and inflammatory indications. Pursuant to such IND clearance, we initiated the Phase I clinical study in healthy subjects in China (CTR20241954) in June 2024 and completed this trial in November 2024.

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Building upon the favorable Phase I safety and PK results, we initiated a Phase Ib/II clinical trial in patients with mild-to-moderate AD in May 2026 to further evaluate the efficacy, safety and dose characteristics of HL-300 in the target patient population.

In parallel with AD development, our broader clinical strategy for HL-300 focuses on expanding into dermatological indications where localized anti-inflammatory activity, favorable tolerability and chronic treatment suitability are clinically important. Our initial development focus includes plaque psoriasis and hand eczema, each of which represents a chronic inflammatory skin disease with unmet needs for effective and well-tolerated topical therapies.

As part of our broader indication expansion strategy, we subsequently submitted an IND application to the NMPA for HL-300 for the treatment of moderate-to-severe hand eczema in December 2024 and received the corresponding IND approval in March 2025. We plan to initiate clinical trials of HL-300 for the treatment of plaque psoriasis and hand eczema if it demonstrates encouraging results in AD patients.

As of the Latest Practicable Date, we have not received any regulatory agency’s concerns or objections to our clinical development plans for HL-300.

Summary of Clinical Trial Results

Completed Phase I study to evaluate the safety, tolerability and pharmacokinetics of HL-300 in healthy subjects in China (CTR20241954)

This is a randomized, double-blind, placebo-controlled, dose-escalation study in healthy subjects to evaluate the safety, tolerability, pharmacokinetics of HL-300 following oral single and multiple ascending dose administration.

Trial design. 36 healthy subjects were enrolled into a study comprising a SAD part (n = 24) and a MAD part (n = 12). In the SAD part, three sequential cohorts of 4, 8 and 12 subjects received a single topical dose of HL-300 at 0.25%, 0.5% or 1.0% or placebo on Day 1 in 3:1, 3:1 and 5:1 randomization ratios, respectively. Subjects then underwent safety and tolerability assessments alongside pharmacokinetic blood sampling from Day 1 through Day 8. In the MAD part, 12 subjects received 1.0% HL-300 or placebo in a 5:1 ratio BID from Day 1 to Day 6 and QD on Day 7, with identical safety, tolerability and PK evaluations conducted from Day 1 to Day 8. Both SAD and MAD parts included a screening phase, a treatment phase, and a post-treatment follow-up phase to monitor safety and tolerability after completion of dosing.

Trial objectives. The primary objective of this trial was safety and tolerability of HL-300 following SAD and MAD administration. The secondary objective is to characterize the PK in the plasma of HL-300 following SAD and MAD administration.

Trial status. The trial was initiated in June 2024 and completed in November 2024. A total of 36 subjects were enrolled after completing randomization, including 35 subjects who completed the trial as planned throughout the trial and 1 subject who withdrew early.

PK results. For healthy volunteers receiving single topical doses ranging from 6.25 mg to 50 mg, HL-300 produced low average C_{max} values of less than 1.0 ng/mL.

Safety results. Both single doses and multiple doses of HL-300 ointment were well tolerated in healthy adult subjects with incidence, type, and severity of TEAEs similar between HL-300 and placebo groups, and all TRAEs were mild (Grade 1). No safety concerns were raised and no SAEs occurred during the study. The table below sets forth details of AEs in this trial.

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Events, n (%)	Placebo (N=7)	HL-300 6.25 mg (N=3)	HL-300 25 mg (N=6)	HL-300 50 mg (N=10)	HL-300 50mg BID (N=10)
TEAE	3 (42.9)	3 (100.0)	1 (16.7)	4 (40.0)	6 (60.0)
TRAE	2 (28.6)	3 (100.0)	1 (16.7)	2 (20.0)	4 (40.0)
SAE	0	0	0	0	0
SAR	0	0	0	0	0
TEAE led to discontinuation	0	0	0	0	0
TRAE led to discontinuation	0	0	0	0	0
TEAE (Grade $\geq$ 3) . . .	0	0	0	1 (10.0)	0
TRAE (Grade $\geq$ 3) . . .	0	0	0	0	0

Abbreviations: AE = Adverse Event; TEAE = Treatment-Emergent Adverse Event; TRAE = Treatment-Related Adverse Event

Ongoing Phase Ib/II study to evaluate the safety and efficacy of HL-300 in patients with mild-to-moderate AD in China (CTR20261611)

This is a multicenter, randomized, double-blind, placebo-controlled Phase Ib/II clinical study designed to evaluate the safety and efficacy of HL-300 in patients with mild-to-moderate AD.

Trial design. The study plans to enroll approximately 148 to 156 participants and comprises two cohorts. The first cohort is a randomized, double-blind, parallel-group, placebo-controlled study expected to enroll approximately 140 participants, who will be randomized in a 1:1:1:1 ratio to receive HL-300 at different concentrations or placebo. The second cohort is an open-label intensive PK cohort expected to enroll eight subjects per dose concentration. Subjects in this cohort will receive continuous treatment for eight days, with enrollment initially commencing in the 1% dose group and a 0.5% dose group to be added depending on systemic exposure results. The second cohort is expected to be initiated after approximately 50% of the subjects in the first cohort have been enrolled.

Trial objectives. The primary objective of this trial is to evaluate the efficacy of different doses of HL-300 in treating mild-to-moderate AD. The secondary objectives of this trial are to evaluate additional efficacy endpoints of different doses of HL-300 in patients with mild-to-moderate AD, assess the safety profile of HL-300 and explore the PK profile and systemic exposure of HL-300 in patients with mild-to-moderate AD.

Trial status. The trial was initiated in May 2026 and is expected to be completed by the end of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HL-300 SUCCESSFULLY.

HL-450, a NLRP3 Inhibitor

HL-450 is a preclinical NLRP3 inhibitor developed for treating acute gout and other peripheral diseases. NLRP3 inflammasome is a multiprotein complex that plays a central role in the activation of the innate immune system. In acute gout, monosodium urate crystals deposited in the joint space are phagocytosed by resident macrophages, triggering NLRP3 oligomerization and recruitment of the adaptor protein ASC, which in turn activates caspase-1. Activated caspase-1 cleaves pro-IL-1 β and pro-IL-18 into their mature, pro-inflammatory forms, driving neutrophil infiltration, tissue swelling and pain. By binding directly to the NLRP3 protein and preventing its conformational activation, HL-450 blocks inflammasome assembly, thereby reducing downstream caspase-1 activation, cytokine maturation and pyroptotic cell death. This upstream intervention is designed to rapidly attenuate the inflammatory cascade at its origin, rather than targeting individual cytokines alone.

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Beyond acute gout, aberrant activation of the NLRP3 inflammasome has been implicated in a range of peripheral inflammatory diseases, including certain musculoskeletal, dermatologic and metabolic disorders, where sterile danger signals or crystalline deposits initiate similar pathogenic pathways. We believe that by selectively targeting the NLRP3 inflammasome, our approach has the potential to deliver rapid symptom relief in acute settings and to modify disease course in chronic peripheral inflammatory conditions, while minimizing the systemic immunosuppression associated with broader anti-inflammatory agents.

The current treatment landscape for acute gout consists of corticosteroids, NSAIDs, colchicine and biologic agents; however, each class faces significant clinical limitations, including metabolic disturbances for corticosteroids, gastrointestinal toxicity for NSAIDs, bone marrow suppression and hepatic dysfunction for colchicine and infection risks and high treatment costs for biologic agents. These concerns constrain their long-term utility and broader clinical adoption. Meanwhile, small-molecule drugs such as NLRP3 inhibitors are emerging as novel therapies that offer distinct advantages, including convenient oral administration, improved patient compliance and potential for reduced dosing frequency. While current small-molecule drugs for acute gout treatment remain in clinical development with no approved drugs globally, these features underscore the promise of NLRP3 inhibitors in treating acute gout and other peripheral diseases as a novel therapeutic option.

HL-450 is currently developed in preclinical stage. We expect to submit IND application for HL-450 in the first quarter of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HL-450 SUCCESSFULLY.

TLL-009

TLL-009 is a preclinical TYK2/JAK1 inhibitor built on our proprietary kinase inhibitor platform with high selectivity.

In July 2023, we out-licensed to Shanghai Tenovation Biopharmaceutical Co., Ltd. (“**Tenovation**”) the development and commercialization rights for TLL-009 for veterinary use. See “— Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Tenovation for TLL-009” for details. INAD application for TLL-009 is expected to be submitted to the Center for Veterinary Medicine under China’s Ministry of Agriculture and Rural Affairs in the third quarter of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TLL-009 SUCCESSFULLY.

OUR NEURODEGENERATIVE FRANCHISE

TLL-041/BHV-8000

Overview

TLL-041 is the first and only selective TYK2/JAK1 inhibitor globally reported to achieve brain penetration for neurodegenerative applications, according to Frost & Sullivan. By targeting TYK2 and JAK1, key regulators of pro-inflammatory cytokine signaling via the STAT pathway, TLL-041 aims to reduce neuroinflammation implicated in the progression of several central nervous system disorders. The compound has completed Phase I clinical trials, where it demonstrated effective central nervous system penetration and confirmed biomarker target engagement. Notably, TLL-041 exhibits high selectivity over JAK2, JAK3, and other kinases, offering a potential safety advantage compared to less selective JAK inhibitors.

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We entered into a license and development agreement with Biohaven in March 2023, pursuant to which we granted Biohaven an exclusive, royalty-bearing and sublicensable license to research, develop, manufacture and commercialize TLL-041/BHV-8000 outside Greater China while we retain the full rights to research, develop, manufacture and commercialize TLL-041/BHV-8000 in Greater China. See “— Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Biohaven for TLL-041/BHV-8000” for details. Pursuant to our arrangement with Biohaven, we transferred the sponsorship of the Phase I clinical trial IND granted by the FDA to Biohaven in April 2023.

In its first-in-human Phase I clinical trial and chronic-toxicity studies conducted by Biohaven, TLL-041 demonstrated excellent blood-brain barrier penetration capability. The Phase I data and chronic nonclinical toxicity data support its progression into late-stage development. To evaluate its disease-modifying potential in Parkinson’s disease, Biohaven initiated the Phase II/III clinical study in the United States in May 2025, marking a significant step in its clinical development for CNS disorders. In October 2025, the NMPA granted IND approval for TLL-041/BHV-8000 for the prevention of treatment-emergent amyloid-related imaging abnormalities in patients with Alzheimer’s disease. The approved Phase I trial is designed as a bridging pharmacokinetic study to confirm exposure equivalence between Chinese and U.S. populations, and will serve as the basis for subsequent clinical development of TLL-041/BHV-8000 in both Parkinson’s disease and Alzheimer’s disease in China. We initiated the Phase I study in December 2025 and completed this study in March 2026. As the next step, we plan to participate in Biohaven’s global registrational program in Parkinson’s disease. In December 2025, we submitted the clinical protocol for this registrational trial to the NMPA and are currently awaiting feedback. Following positive top-line results, Biohaven will, at our request, submit the marketing approval application in China and, upon approval, transfer the marketing authorization to us. In parallel, we also plan to advance TLL-041 into a Phase II clinical trial in Alzheimer’s disease in China to address the unmet medical need in this patient population, and expect to submit IND for this trial in the third quarter of 2026.

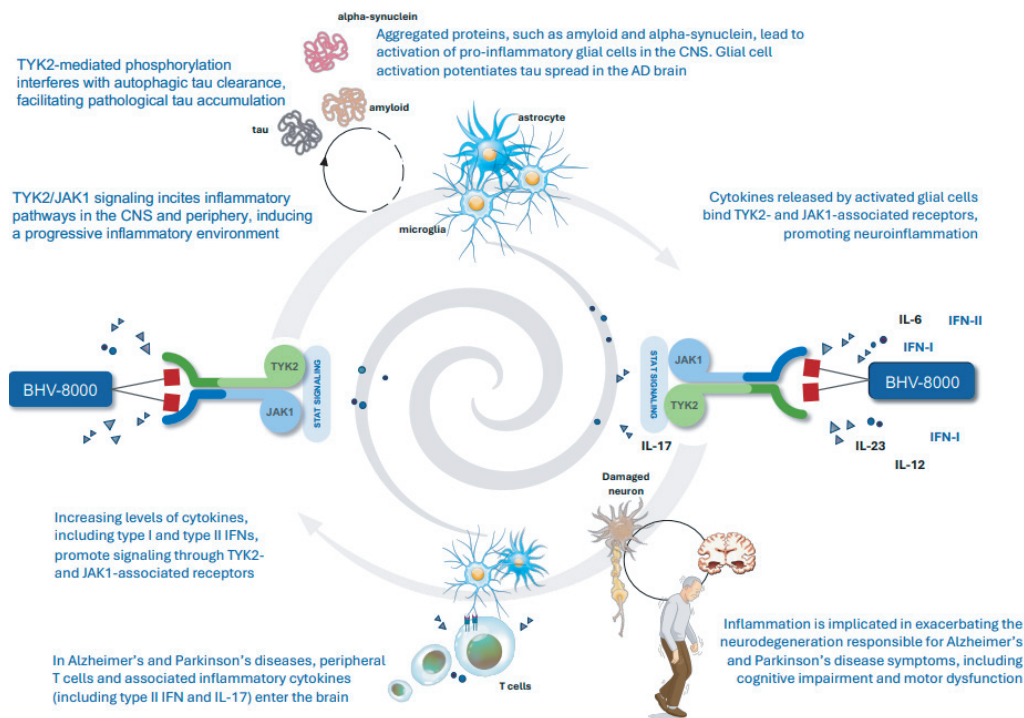
Drug Design and Mechanism of Action

In Alzheimer’s disease, Parkinson’s disease, and other neurodegenerative disorders, dysregulated TYK2/JAK1 signaling contributes to both central and peripheral immune activation. Aggregated proteins such as amyloid- β and α -synuclein activate glial cells, triggering the release of pro-inflammatory cytokines (including type I and type II interferons, IL-6, IL-12, IL-17, and IL-23). These cytokines signal through TYK2- and JAK1-associated receptors, sustaining a chronic inflammatory environment that promotes microglial activation, astrocyte reactivity, T-cell infiltration into the CNS, and downstream neuronal injury.

TYK2 signaling also mediates phosphorylation of tau, which interferes with autophagic clearance and facilitates pathological tau accumulation. In preclinical models, TYK2 knockdown reduces pathogenic tau levels and mitigates neurodegeneration. By selectively inhibiting TYK2 and JAK1, TLL-041/BHV-8000 is designed to: (i) block glial cell activation within the CNS, reducing production of neurotoxic inflammatory mediators; (ii) suppress peripheral immune cell activation and cytokine release, limiting immune cell trafficking into the brain; (iii) interrupt pathogenic cytokine signaling (e.g., IFN- α/β , IFN- γ , IL-12, IL-23, IL-17), thereby dampening both innate and adaptive immune responses implicated in neurodegeneration; and (iv) potentially reduce tau pathology by preventing TYK2-mediated tau phosphorylation, supporting neuronal survival.

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The mechanism of action of TLL-041/BHV-8000 is illustrated below:



Source: Biohaven public presentation

The therapeutic rationale for targeting these pathways is further supported by large-scale real-world epidemiologic evidence. A real-world analysis of the Komodo Health database commissioned and supported by Biohaven, encompassing over 320 million patients and more than eight years of longitudinal data, found that individuals treated with anti-TNF or anti-IL-17 therapies had a statistically significant reduction in the incidence of Parkinson's disease compared to untreated populations. This population-level signal aligns with the neuroinflammatory hypothesis and supports the potential of cytokine-pathway inhibition to modify Parkinson's disease risk and progression.

Treatment	PD Events	Person-years	Rate (per 100 person-years)	Adjusted IRR (95% CI)	P-value
Anti-TNF or Anti-IL-17 exposure	2,957	393,114	0.66	0.77 (0.74 – 0.80)	<0.0001
No Treatment	50,562	5,328,307	0.95		
Anti-TNF exposure	2,471	371,867	0.66	0.64 (0.52 – 0.80)	<0.0001
No Treatment	50,562	5,328,307	0.95		
Anti-IL-17 exposure	81	15,598	0.52	0.77 (0.78 – 0.81)	<0.0001
No Treatment	50,562	5,328,307	0.95		

Abbreviations: IRR = incidence rate ratio; TNF = tumor necrosis factor

Source: Biohaven public presentation

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Market Opportunity and Competition

Neurodegenerative diseases have emerged as a critical area of medical need, the debilitating nature of conditions such as Alzheimer’s disease and Parkinson’s disease, and the lack of curative therapies. The market opportunity for TLL-041 is driven by the sheer scale of the target patient populations and the current lack of effective disease-modifying therapies. For more details, see “Industry Overview — Global JAK Inhibitor Market — Market Opportunities of JAK Inhibitors in Neurodegenerative Diseases.”

Key Advantages

- Innovative chemistry unlocks precision immunomodulation for the CNS. TLL-041 stands out for its differentiated molecular design, rooted in a novel kinase inhibitor scaffold. By deliberately removing the H-donor from its chemical structure, TLL-041 achieves effective brain penetration and heightened selectivity while minimizing off-target interactions, setting it apart from all other JAK inhibitors. This rational design not only enables improved blood-brain barrier penetration but also reduces the risk of unwanted side effects, supporting its development as a central nervous system (CNS)-targeted therapeutic.
- Potential to redefine neurodegenerative disease therapeutics. TLL-041 enjoys a first-mover advantage among clinical-stage JAK inhibitors in treating neurodegenerative diseases such as Parkinson’s disease and Alzheimer’s disease, where effective disease-modifying treatments remain elusive. As of the Latest Practicable Date, no JAK inhibitor has been approved for neurodegenerative diseases globally, and TLL-041 is the first and only JAK inhibitor in clinical development for Parkinson’s disease globally and for Alzheimer’s disease in China, according to Frost & Sullivan. The ability to cross the blood-brain barrier and act directly within the CNS distinguishes TLL-041 from existing JAK inhibitors, which typically lack sufficient CNS exposure and selectivity.
- Compelling Phase I results confirm effective brain penetration and target engagement. In the Phase I trial of TLL-041, encouraging data were observed, further validating the therapeutic potential of TLL-041. TLL-041 demonstrated substantial reductions in key inflammatory biomarkers associated with TYK2 and JAK1 signaling including IP-10, hsCRP, and IFN- β compared to placebo. These significant biomarker changes provide direct evidence of target engagement and support the drug’s mechanism of dampening neuroinflammation, a central driver of neuronal injury in neurodegenerative conditions. The observed pharmacodynamic effects reinforce TLL-041’s potential to achieve meaningful clinical benefit by modulating immune responses within the CNS.

Clinical Development Strategy and Material Communications with Competent Authorities

Our clinical development strategy for TLL-041/BHV-8000 is designed to leverage its brain-penetrant profile and differentiated mechanism of action to address neurodegenerative diseases with unmet medical needs, focusing on Parkinson’s disease and Alzheimer’s disease. Our strategy combines global clinical development led by Biohaven outside Greater China with selective participation by us in late-stage development and future commercialization in Greater China.

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

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Under the collaboration framework, our overall clinical development strategy is to leverage Biohaven’s global clinical development capabilities and infrastructure to accelerate the clinical advancement of TLL-041/BHV-8000 outside Greater China, while selectively participating in global registrational development and preparing for future commercialization opportunities in Greater China. In particular, we intend to utilize global clinical data generated by Biohaven, together with bridging and regional clinical studies conducted in China, to support the future development and potential registration of TLL-041/BHV-8000 in Greater China in a cost-efficient and time-efficient manner.

In the first-in-human Phase I clinical trial and chronic-toxicity studies conducted by Biohaven, TLL-041/BHV-8000 demonstrated excellent blood-brain barrier penetration capability. The Phase I data and chronic nonclinical toxicity data support its progression into late-stage development. To evaluate its disease-modifying potential in Parkinson’s disease, Biohaven initiated the Phase II/III clinical study in the United States in May 2025.

To facilitate the inclusion of clinical sites in mainland China in this global program, we consented to Biohaven’s conduct of such global studies in our territory and appointed Biohaven as the local sponsor. We act as Biohaven’s local agent in China, responsible for regulatory submissions, communications with the PRC regulatory authorities, and import licensing.

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

As the next step in our China development strategy, following completion of the bridging study, we plan to participate in Biohaven’s global registrational program in Parkinson’s disease in China. In December 2025, we submitted the clinical protocol for this registrational trial to the NMPA, and are currently awaiting feedback. For the China portion of such registrational trial, Biohaven will act as the local sponsor and we will act as the local agent. Following positive top-line results, Biohaven will, at our request, submit the marketing approval application in China and, upon approval, transfer the marketing authorization to us.

In parallel, following completion of the Phase I bridging study, we also plan to advance TLL-041 into a Phase II clinical trial in Alzheimer’s disease in China to address the unmet medical need in this patient population. We currently expect to submit IND application in the third quarter of 2026.

See “— Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Biohaven for TLL-041/BHV-8000” for details.

As of the Latest Practicable Date, we have not received any regulatory agency’s concerns or objections to our clinical development plans for TLL-041.

Summary of Clinical Trial Results

Completed Phase I clinical study to evaluate the safety, tolerability, pharmacokinetics, and pharmacodynamics of TLL-041/BHV-8000 in healthy subjects following oral administration conducted by Biohaven in the United States

This is a first-in-human Phase I clinical study to evaluate an oral extended-release tablet formulation of TLL-041/BHV-8000 through single ascending dose (SAD) and multiple ascending dose (MAD) investigations in healthy participants. The trial was conducted by Biohaven in the United States.

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Trial design. BHV8000-101 is a Phase I single- and multiple-ascending dose (SAD/MAD) study that explored TLL-041/BHV-8000 between 6 and 30mg for ≤ 14 days. BHV8000-102 is a Phase I study in which TLL-041/BHV-8000 (20mg) was administered daily for 7 days. Across all cohorts, 8 participants were randomized 3:1 to receive blinded TLL-041/BHV-8000 (extended-release (ER) formulation) or placebo. Three SAD cohorts were dosed with 10 mg, 20 mg, or 30 mg of ER TLL-041/BHV-8000, or placebo, under fasting conditions. Similarly, three MAD cohorts were dosed daily for 14 days with 6 mg, 10 mg, or 20 mg of ER TLL-041/BHV-8000, or placebo, also under fasting conditions. Inflammatory biomarkers were measured in the –101 MAD phase and cerebrospinal fluid (CSF)-to-plasma ratio was estimated in the –102 study. A total of 43 participants were treated with TLL-041/BHV-8000 and a total of 15 participants received matching placebo.

	BHV-8000 (n = 43)	Placebo (n = 15)
Age, y, mean (SD)	39.3 (9.1)	41.1 (10.7)
Sex, n (%)		
Female	5 (11.6)	1 (6.7)
Male	38 (88.4)	14 (93.3)
Race, n (%)		
White	20 (46.5)	11 (73.3)
Black or African American	21 (48.8)	4 (26.7)
American Indian or Alaskan Native	1 (2.3)	-
Other	1 (2.3)	-
Ethnicity, n (%)		
Hispanic/Latino	23 (53.5)	9 (60.0)

Source: Biohaven public data

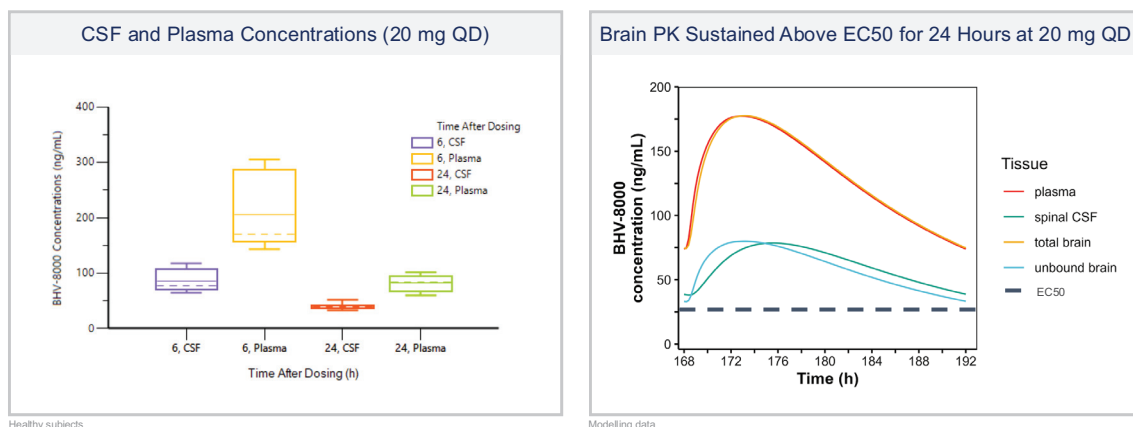
Trial objectives. The primary objectives were to evaluate safety and tolerability, characterize plasma and cerebrospinal pharmacokinetics (PK), and assess pharmacodynamic (PD) effects on inflammatory biomarkers.

Trial status. In April 2023, we transferred the sponsorship of this trial to Biohaven, who began dosing with TLL-041/BHV-8000 in normal healthy volunteers in May 2023 and completed this trial.

PK results. TLL-041/BHV-8000 PK demonstrated effective brain penetration with approximately 50% plasma exposure available as unbound drug in the CNS, providing sustained coverage above TYK2 and JAK1 IC_{50} at clinical doses. TLL-041/BHV-8000 geometric mean elimination half-life ($t_{1/2}$) ranged from 11 to 14 hours, both after single and multiple administrations. Accumulation at steady state for AUC and C_{max} was approximately 1.7-fold. Cerebrospinal fluid (“CSF”) samples were collected at two study timepoints to assess drug penetration into the central nervous system. Mean (CV%) CSF-to-plasma ratio at 6- and 24-hours post-dose was 0.43 (10.1) and 0.50 (13.3), respectively, indicating good and consistent penetration of TLL-041/BHV-8000 into the CSF over time.

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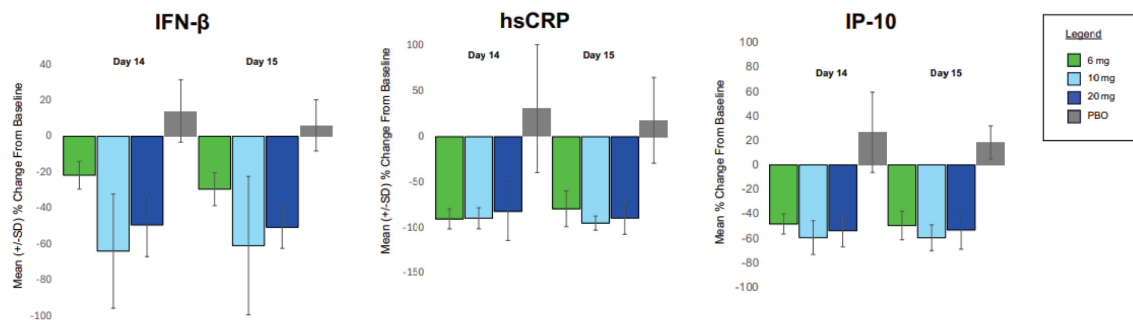
BHV-8000 Demonstrates Confirmed CNS Penetration in Phase I



Source: Biohaven public data

Biomarker results. Following multiple doses of TLL-041/BHV-8000, greater reductions in baseline inflammatory biomarkers including IP-10, hsCRP and IFN- β were observed in each TLL-041/BHV-8000 treatment cohort compared to placebo. Such evidence of target engagement indicated potential anti-inflammatory effects of TLL-041/BHV-8000.

BHV-8000 Effectively Reduces Inflammatory Biomarkers Levels



Source: Biohaven public data

Safety results. Overall, comparable rates of AEs occurred between participants receiving TLL-041/BHV-8000 and placebo (approximately 20%). All AEs were mild in intensity except one (moderate headache). There were no serious AEs. In the MAD phase, dose-associated lowering of platelets (limited to CTCAE Grade 1) was observed, consistent with JAK1 class effects. There were no adverse trends across other laboratory parameters.

In healthy adults, TLL-041/BHV-8000 was generally safe and well-tolerated, while demonstrating anti-inflammatory effects. TLL-041/BHV-8000 also showed a favorable PK profile in the periphery and CNS, demonstrating approximately 50% CNS penetration in humans. These results support continued development of TLL-041/BHV-8000 for neurodegenerative conditions.

Ongoing Phase I PK bridging study in healthy Chinese subjects (CTR20254550)

This is a randomized, double-blind, placebo-controlled, single ascending dose Phase I study to evaluate the PK, safety, and tolerability of BHV-8000/TLL-041 in healthy Chinese subjects. The trial was conducted by us in our capacity as Biohaven's local agent, with Biohaven acting as the trial sponsor.

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Trial design. A total of 26 subjects are expected to be enrolled in this study, comprising of 3 cohorts (10 mg, 20 mg and 30 mg). The 10 mg and 30 mg groups will each include 8 subjects, while the 20 mg group will include 10 subjects. Subjects in the 10 mg and 30 mg groups will be randomized in a 3:1 ratio to receive BHV-8000/TLL-041 or placebo. Subjects in the 20 mg group will be randomized in a 4:1 ratio to receive BHV-8000/TLL-041 or placebo. The study consists of a screening period (Day -14 to Day -1) and an inpatient period. Subjects will be admitted on Day -1 to the Phase I clinical unit. On Day 1, they will receive a single oral dose of study drug or placebo. Subjects will remain in the unit until Day 4 or until early withdrawal. During the inpatient period, PK and biomarker blood samples will be collected, and safety and tolerability assessments will be performed.

Trial objectives. The primary objective of this study is to evaluate the PK of BHV-8000/TLL-041 following single ascending doses. Secondary objectives include to evaluate the safety and tolerability of BHV-8000/TLL-041 and to assess changes in biomarkers following single ascending doses.

Trial status. The study was initiated in December 2025 and completed in March 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TLL-041 SUCCESSFULLY.

HL-400

Overview

HL-400 is a brain-penetrant, highly selective NLRP3 inhibitor designed to modulate neuroinflammation. It is being developed for the treatment of CNS disorders such as Parkinson’s disease.

In preclinical studies, HL-400 demonstrated promising results of blood-brain barrier penetration in multiple animal models following oral administration. In addition to its favorable drug property, it exhibited potent inhibition of NLRP3 with an *in vitro* IC₅₀ of 6.6 nM and an *in vivo* IC₅₀ of 7.7 nM in inhibiting IL-1 β production and demonstrated its high selectivity to TNF- α , NLRP1, AIM2 and NLRC4 inflammasome activities and a panel of 80 kinases with no obvious cytotoxicity observed. Based on its promising preclinical efficacy result, HL-400 holds potential in treating CNS indications including Parkinson’s disease.

We obtained IND approvals from FDA in April 2025 and initiated the Phase I first-in-human study in healthy subjects in the United States in the same month. In February 2026, we submitted a protocol amendment with the FDA for this trial to add a cohort of obese subjects with inflammation to study the biomarker effects in this patient population. The amendment became effective in March 2026 under the FDA’s implied approval process. We expect to complete this trial by the second quarter of 2026. In March 2026, we submitted an IND application for HL-400 to the NMPA for a Phase I PK bridging study in China. We expect to initiate the Phase I trial for HL-400 in China in the third quarter of 2026, for which IND approval was obtained in May 2026.

Drug Design and Mechanism of Action

NLRP3 is a cytosolic pattern-recognition receptor composed of three domains: a leucine-rich repeat at the carboxy terminus, a central nucleotide-binding and oligomerization domain with ATPase activity, and an amino-terminal pyrin domain. It senses a broad range of pathophysiological and chemically diverse stimuli, including pathogen-associated molecular patterns and damage-associated molecular patterns.

Upon activation, NLRP3 nucleates the assembly of the inflammasome complex, which recruits and activates caspase-1. Activated caspase-1 cleaves pro-IL-1 β and pro-IL-18 into their mature, secreted forms. These cytokines are potent drivers of inflammation: IL-1 β , in particular, promotes proliferation and activation of microglia and astrocytes, key mediators of

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neuroinflammation. In the central nervous system, such glial activation is triggered during injury or inflammatory insults and has been implicated in the pathogenesis of multiple neurodegenerative diseases, including Parkinson’s disease and Alzheimer’s disease, making NLRP3 a compelling therapeutic target.

HL-400 is designed to lock the NLRP3 complex in its inactive, “off” state. It binds to the pre-assembled, inactive oligomer and acts as a molecular adhesive across multiple subdomains — HD1, HD2, NBD, WHD, and LRR — stabilizing the protein conformation and preventing the structural rearrangement required for activation. By blocking this critical activation step, HL-400 inhibits downstream inflammasome assembly, caspase-1 activation, and pro-inflammatory cytokine release. This targeted mechanism has the potential to attenuate chronic inflammatory signaling and tissue damage in a range of NLRP3-driven conditions, including gout, Parkinson’s disease, Alzheimer’s disease, and other autoinflammatory syndromes.

Market Opportunity and Competition

We are actively pursuing a comprehensive clinical development plan to unlock the full potential of HL-400, with a strategic focus on neurodegenerative diseases.

Neurodegenerative diseases, such as Alzheimer’s and Parkinson’s, are significant and growing public health crises with immense unmet medical needs. Current treatments are often symptomatic and do not address the underlying neuroinflammation that contributes to disease progression. HL-400 is a brain-penetrant NLRP3 inhibitor. The NLRP3 inflammasome is a key component of the innate immune system and plays a critical role in the inflammatory process associated with neurodegenerative diseases. By specifically targeting and inhibiting NLRP3, HL-400 has the potential to modulate neuroinflammation and slow or halt disease progression, a significant advancement over existing therapies. The global market for neurodegenerative disease therapeutics is massive and is expected to continue to grow. For more details, see “Industry Overview — The Neurodegenerative Diseases Market — Market Size of Neurodegenerative Disease Drugs.”

As of the Latest Practicable Date, there is no NLRP3 inhibitor approved globally, and there are four clinical-stage NLRP3 inhibitors targeting Parkinson’s disease globally.

Key Advantages

- Potent neurodegenerative disease treatment potential with high selectivity and strong brain-penetrant capability. HL-400, as novel small-molecular NLRP3 inhibitor, demonstrates strong therapeutic potential in the treatment of neurodegenerative diseases. The activation of NLRP3 nucleates the assembly of an inflammasome, leading to caspase 1-mediated proteolytic activation of the IL-1 β family of cytokines, and induces an inflammatory, pyroptotic cell death. Pathological activation NLRP3 inflammasome has been identified as a key driver of disease progress in various cell-based and preclinical *in vivo* models of autoinflammatory, autoimmune, metabolic and neurodegenerative diseases. In particular, chronic immune activation triggered by accumulation of misfolded protein aggregates has been recognized as a critical mechanism underlying progressive neurodegeneration in Alzheimer’s disease and Parkinson’s disease.

Leveraging our proprietary molecular design technology platform, HL-400 demonstrates strong selectivity and specificity for NLRP3, effectively inhibiting the pathological elevation of IL-1 β , as demonstrated in the preclinical study. This targeted mechanism enables precise modulation of key inflammatory pathways implicated in neurodegeneration, which potentially enhances therapeutic efficacy. Moreover, HL-400 has been specifically engineered for efficient blood-brain barrier penetration, addressing a major obstacle in central nervous system drug development, where over 99% of therapeutic agents fail to achieve

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therapeutically relevant concentrations in the brain. By inhibiting the release of pro-inflammatory cytokines within the brain, HL-400 has the potential to attenuate chronic neuroinflammation, thereby mitigating disease-associated neuronal damage and cell death. This mechanism supports its potential as a disease-modifying therapy for neurodegenerative disorders.

- Favorable safety profile with lower cardiovascular risk compared with in-class competitors. Compared with the molecular design challenges commonly associated with elevated cardiovascular risk in this class, particularly the risk of hERG channel inhibition, HL-400 was specifically optimized during early-stage medicinal chemistry to mitigate such risk. The core battery of safety pharmacology studies demonstrated no adverse pharmacodynamic effects on vital physiological functions. HL-400 exhibited an IC_{50} of $25.28 \pm 4.16 \mu M$ against the hERG potassium current. No treatment-related effects were observed on respiratory or central nervous system functions in Sprague Dawley rats at doses up to 200 mg/kg in males and 120 mg/kg in females. Additionally, no test article-related effects on cardiovascular function were noted in Beagle dogs following oral administration of up to 60 mg/kg BID.
- Promising efficacy profile in preclinical studies. HL-400 demonstrates high specificity for NLRP3, strong IL-1 β inhibition capability and brain-penetrant potency. In preclinical studies, HL-400 demonstrated favorable absorption, distribution, metabolism and excretion properties across species. HL-400 showed promising *in vitro* efficacy by exhibiting potent inhibition of NLRP3 (IC_{50} =6.6 nM) while showing negligible activity ($IC_{50} > 10 \mu M$) against TNF- α , NLRP1, AIM2 and NLRC4. HL-400 *in vivo* efficacy was validated by PK/PD study in LPS/ATP—induced IL-1 β Release in C57BL/6J Mice with unbound IC_{50} of 7.7 nM. In addition, HL-400 demonstrated high brain penetration with unbound partition coefficient of cerebrospinal fluid at 0.44-1.21 in animal models including monkeys, dogs, rats and mice. These findings support HL-400’s therapeutic potential in systemic and CNS diseases.

Clinical Development Plan

We are committed to advancing the therapeutic potential of HL-400. NLRP3 inhibitor present a novel approach in neurodegenerative diseases and we are primarily focused on HL-400’s indications of CNS diseases including Parkinson’s disease, and metabolic diseases. We received the IND approval for HL-400 from the FDA in April 2025, and initiated the Phase I clinical trial in the same month. In February 2026, we submitted a protocol amendment with the FDA to add a cohort of obese subjects with inflammation for this trial. The amendment became effective in March 2026 under the FDA’s implied approval process, as no objection was raised within 30 days of submission. As of the Latest Practicable Date, the Phase I trial is ongoing and we expect to complete it in the second quarter of 2026. In March 2026, we also submitted an IND application for HL-400 to the NMPA for a Phase I PK bridging study in China and obtained the IND approval in May 2026. We expect to initiate the Phase I trial for HL-400 in healthy subjects in China in the third quarter of 2026. Going forward, we plan to initiate Phase I/II trials to assess HL-400’s therapeutic activity in both systemic inflammatory and CNS-related indications, leveraging its potent and selective inhibition of NLRP3 with favorable preclinical safety and brain exposure profiles.

Summary of Clinical Trial Results

Ongoing Phase I first-in-human clinical study of HL-400 to evaluate the safety, tolerability and pharmacokinetics in healthy subjects following oral administration in the United States (NCT06997484)

This is a randomized, double-blind, placebo-controlled, dose-escalation study in healthy subjects to evaluate the safety, tolerability, pharmacokinetics of HL-400 following oral single and multiple ascending dose administration.

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Trial design. The trial consisted of three parts: Part 1, a SAD phase, Part 2, a MAD phase, and Part 3, a cerebrospinal fluid (CSF) exposure assessment. The original protocol used the HL-400 immediate-release (IR) tablets. In Part 1, the SAD phase, 40 subjects will be enrolled in five cohorts (5mg, 10mg, 20 mg, 40 mg and 60 mg) receiving a single oral dose of HL-400 or placebo in a 6:2 ratio under fasted conditions. After completion of cohort 1 and 2 in SAD, the protocol was amended. HL-400 extended-release (ER) tablets will be used in the next SAD, MAD and CSF cohorts instead of IR tablets. In Part 2, the MAD phase, additional 16 subjects will be enrolled in two cohorts who received oral doses of HL-400 or placebo in a 6:2 ratio QD for 14 days determined from Part 1 based on safety, tolerability, and PK results. Part 3 will comprise a CSF exposure assessment with 6 subjects planned for enrollment by receiving multiple dose treatment with HL-400 for five days.

Trial objectives. The primary objectives of this trial include evaluating the safety and tolerability of HL-400 and characterizing its PK following oral SAD and MAD administration. The secondary objective is to evaluate the exposure in the CSF of HL-400 following oral multiple dose administration.

Trial status. The trial was initiated in April 2025. The SAD cohorts, the first two MAD cohorts at 20mg and 40 mg, and the CSF cohort have been completed. To date, HL-400 and placebo (still blinded) were well tolerated with only mild to moderate adverse events. The half-life for the ER tablets is 9-13 hours, suitable for once daily dosing. PK/PD analysis demonstrated exposure dependent *ex vivo* inhibition of IL-1b by up to >90%. In addition to favorable safety and PK results, HL-400 demonstrated brain penetration with a K_{pu} of 0.98. We submitted a protocol amendment with the FDA in February 2026 to add a cohort of obese patients with inflammation for this trial. With the amendment effective under the FDA’s implied approval process, we enrolled 16 obese subjects who completed 21-days of treatment. Preliminary results showed that HL-400 inhibited hs-CRP by up to >90%, and 11 of 12 subjects receiving HL-400 achieved normalized hs-CRP (<2 mg/L). We expect to complete the trial in this cohort in the second quarter of 2026.

Material Communications with Competent Authorities

We submitted IND application to the FDA for HL-400 in November 2024 and received approval in April 2025, pursuant to which we initiated HL-400’s Phase I clinical trial in healthy volunteers in the United States. In February 2026, we submitted a protocol amendment with the FDA to add a cohort of obese objects with inflammation for this trial. The amendment became effective in March 2026 under the FDA’s implied approval process, as no objection was raised within 30 days of submission. In March 2026, we also submitted an IND application to the NMPA for HL-400 for the treatment of Parkinson’s disease and submitted the clinical protocol of a Phase I PK bridging study in China. We obtained the IND approval from the NMPA in May 2026.

As of the Latest Practicable Date, we have not received any regulatory agency’s concerns or objections to our clinical development plans for HL-400.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HL-400 SUCCESSFULLY.

HL-500

HL-500 is a preclinical brain-penetrant, highly selective LRRK2 inhibitor targeting Parkinson’s disease. HL-500 has demonstrated favorable pharmacokinetic properties, enhanced blood-brain barrier penetration and a broader therapeutic window, along with significant inhibition of LRRK2 in the brain at well-tolerated doses, as shown in preclinical studies.

LRRK2 is a multifunctional enzyme with kinase and GTPase activities, which plays crucial roles in multiple cellular signalling pathways associated with Parkinson’s disease, such as ciliogenesis, mitophagy, autophagy and mitochondrial homeostasis. Missense mutations within the structural domain of LRRK2 are the most common genetic risk factor for Parkinson’s disease, leading to abnormally elevated kinase activity and thereby increasing disease susceptibility. These

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findings establish LRRK2 as a promising therapeutic target. While the clinical translation of LRRK2 inhibitors was historically impeded by issues surrounding tissue specificity, HL-500 shows promise with improved high selectivity and brain penetration in preclinical studies. These features enable HL-500 to potentially minimize peripheral toxicities and ensure effective CNS activity for effective treatment of Parkinson’s disease. As of the Latest Practicable Date, there is no approved LRRK2 inhibitor globally. As of the same date, there are six clinical-stage LRRK2 inhibitors globally for Parkinson’s disease, including two clinical-stage LRRK2 inhibitors in China, with no candidates in Phase III clinical stage.

HL-500 is currently developed in preclinical stage. We have initiated IND enabling studies for HL-500 and expect to submit IND application for HL-500 as early as the first quarter of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HL-500 SUCCESSFULLY.

OUR MATERIAL COLLABORATION AND LICENSING ARRANGEMENTS

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

On March 21, 2023, we entered into a development and license agreement with Biohaven Therapeutics Ltd., a wholly owned subsidiary of Biohaven Ltd. (NYSE: BHVN) (“**Biohaven**”), as amended from time to time (the “**Biohaven Agreement**”). Biohaven is a biopharmaceutical company focused on the discovery, development and commercialization of life-changing treatments in key therapeutic areas including neuroscience, immunology and oncology.

Pursuant to the Biohaven Agreement, we granted Biohaven exclusive rights to research, develop, manufacture and commercialize our brain penetrant dual TYK2/JAK1 tyrosine kinase (“**TYK2/JAK1**”) inhibitor program, known as TLL-041 to us, for the treatment of diseases, disorders or conditions in humans in all territories worldwide excluding mainland China, Hong Kong, Macau and Taiwan (collectively, the “**Highlightll Territory**,” and such worldwide territory excluding the Highlightll Territory, the “**Biohaven Territory**”). As of the Latest Practicable Date, Biohaven is conducting a Phase II/III study of this product candidate, referred to as BHV-8000, for the treatment of brain disorders.

In addition, we granted Biohaven an exclusive option and right of first refusal to any selective TYK2 inhibitor being developed by us. The option and right of first refusal are subject to a defined and limited validity period. Specifically, the option period commences 30 days after we receive notification from the FDA that a clinical investigation of a relevant selective TYK2 inhibitor may proceed, and expires 90 days thereafter (the “**TYK2 License Option Period**”). During the TYK2 License Option Period, the Company is restricted from engaging, directly or indirectly, in the clinical development of a selective TYK2 inhibitor, and Biohaven is similarly restricted from developing a selective TYK2 inhibitor. If Biohaven elects to exercise the option within the TYK2 License Option Period, the parties will enter into a license agreement on terms substantially equivalent to those under the existing Biohaven Agreement, including with respect to financial terms, field, and territory. If Biohaven does not exercise the option within the TYK2 License Option Period, the option and right of first refusal automatically lapse and have no further force or effect, and the Company is thereafter free to independently develop or otherwise license the relevant selective TYK2 inhibitor without restriction. The collaboration arrangements do not provide for termination mechanism, buy-back rights or similar remedial provisions in the event Biohaven does not exercise the option, as Biohaven’s rights are limited to the TYK2 License Option Period and expire automatically if not exercised. As of the Latest Practicable Date, no selective TYK2 inhibitors have been developed by us that are subject to such option and right of first refusal.

As partial consideration for the Biohaven Agreement, in March 2023, we received an upfront payment of US\$10 million in cash and 721,136 common shares issued by Biohaven, representing approximately 1.1% of the total 68,224,929 issued and outstanding shares of Biohaven as of May 9, 2023. As of the Latest Practicable Date, we have disposed of all such shares in the secondary market and does not hold any shareholding interest in Biohaven. Under the terms of the Biohaven

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Agreement, Biohaven will also be obligated to make milestone payments to us totaling up to US\$200 million upon the achievement of specified developmental, regulatory and commercial milestones for a first indication, up to US\$100 million upon the achievement of specified developmental, regulatory and commercial milestones for a second indication, and up to US\$650 million upon the achievement of specified sales-based milestones. Such milestones events include initiation of first Phase II trial, initiation of first Phase III trial, filing of NDA to the FDA, first commercial sale in the United States, European Union or Asia, and first achievement of certain annual net sales thresholds, among others. For the purpose of the milestone events described above, the term "first" refers to the earliest occurrence of the relevant milestone event, and each such milestone is triggered only once upon its initial achievement and is not repeatable for subsequent trials, filings or commercial activities of the same nature. In August 2025, we received the first milestone payment in connection with Biohaven's initiation of a Phase II/III registrational trial of TLL-041/BHV-8000 with early Parkinson's disease, and recognized revenue of US\$15 million for the year ended December 31, 2025. As of the Latest Practicable Date, no other milestone payments had been triggered under the Biohaven Agreement. In addition, Biohaven will pay us tiered royalties ranging from mid-single-digit to low teens based on net sales of any approved products based on TLL-041/BHV-8000 in the Biohaven Territory, subject to specified reductions. Biohaven's obligation to pay the royalties with respect to net sales of a licensed product in a country shall expire at the later of ten years from such first commercial sale or the expiration of the last to expire of the applicable patents in that country.

Under the terms of the Biohaven Agreement, Biohaven may pursue development and commercialization of BHV-8000 for all indications, except, for a period of five years from the date of the first commercial sale of the first licensed product, the prevention, treatment or diagnosis of any peripheral immunological disorders. We have agreed not to develop or commercialize, for a period of five years from the date of the first commercial sale of the first licensed product, any TYK2/JAK1 inhibitor program for the prevention, treatment or diagnosis of any neurological disorder in the Biohaven Territory.

The Biohaven Agreement does not provide for any profit-sharing or cost-sharing arrangements between the parties. Each party is solely responsible, and has agreed to use commercially reasonable efforts, for all development, regulatory and commercial activities related to TLL-041/BHV-8000 in its respective territory at its own cost and expense. Subject to the foregoing, Biohaven shall, at its own cost, conduct registrational global clinical trials of TLL-041/BHV-8000 that include sites in mainland China and are designed to satisfy Chinese regulatory requirements. Biohaven will act as the local sponsor in China, with us, at our labor costs, serving as local agent responsible for regulatory submissions, authority communications, and import licensing for TLL-041/BHV-8000. Following positive top-line results, Biohaven will, at our request, submit the marketing approval application in China and, upon approval, transfer the marketing authorization to us. Both parties retain the right to use data from the global studies for commercialization of TLL-041/BHV-8000 in the respective territories. We expect to use and leverage the data and results from Biohaven's global registrational clinical trials of TLL-041/BHV-8000 in Parkinson's disease when participating in such global registrational program and for related regulatory and commercialization activities in the Highlightll Territory, which is in line with industry practice for global clinical development programs with territorial commercialization rights. In addition, we may use data from such global clinical trials for other indications to the extent such data are scientifically relevant and applicable to furthering the research and development of TLL-041 in the Highlightll Territory. Biohaven may sublicense its rights under the Biohaven Agreement, subject to our prior written consent. During the Track Record Period and up to the Latest Practicable Date, Biohaven has not entered into any sublicensing arrangements pursuant to the Biohaven Agreement, and no such consent has been requested or granted by us.

Each party shall own all right, title and interest in and to all information, improvements and other inventions that are conceived, discovered, developed or otherwise made by or on behalf of such party, its affiliates, subcontractors or sublicensees, as applicable, under or in connection with the Biohaven Agreement. The parties will jointly own rights to all inventions and other intellectual property rights in connection with the Biohaven Agreement that are created jointly by or on behalf of Biohaven and us. We retain all intellectual property rights that were owned by us as of the execution of the agreement. Biohaven is also responsible for the prosecution and maintenance of the patents related to TLL-041/BHV-8000 and licensed products, and has the first right to prosecute infringement of the patents and defend challenges to the validity or enforceability of the patents in all countries other than the Highlightll Territory.

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The Biohaven Agreement terminates on a country-by-country basis and product-by-product basis upon the expiration of the royalty term for a product in a country. Each royalty term begins on the date of the first commercial sale of a licensed product in a particular country and ends on the later of 10 years from such first commercial sale or the expiration of the last to expire of the applicable patents in that country. The Biohaven Agreement may be terminated earlier in specified situations, including termination for uncured material breach of the Biohaven Agreement by either party, termination by us in specified circumstances, termination by Biohaven in entirety or on a country-by-country basis with advance notice and termination upon a party’s insolvency or bankruptcy. Disputes that cannot be resolved by senior executives within a specified time may be submitted to binding arbitration.

License and Development Agreement with Tenovation for TLL-009

On July 3, 2023, we entered into a license and development agreement, as amended from time to time (the “**Tenovation Agreement**”), with Shanghai Tenovation Biopharmaceutical Co., Ltd. (上海建毅騰創生物醫藥科技有限公司) (“**Tenovation**”), a company established in 2022 primarily engaging in developing innovative drugs for veterinary use. Leveraging Tenovation’s deep expertise in veterinary drug development and regulatory affairs, together with its established clinical network and commercialization capabilities in this industry, we believe this collaboration will accelerate the transformation of TLL-009 into a highly competitive animal health asset and maximize the value of our intellectual property portfolio.

Pursuant to the Tenovation Agreement, we granted Tenovation an exclusive, royalty-bearing license worldwide for Tenovation to research, develop, manufacture, and commercialize TLL-009 (the “**Licensed Compound**”) and any veterinary drug product comprising TLL-009 (the “**Licensed Product**”) for the diagnosis, treatment and/or prevention of diseases in animals, excluding any applications for human use (the “**Field**”). Tenovation may sublicense its rights under the Tenovation Agreement, subject to our prior written consent.

Tenovation is solely responsible, and has agreed to use commercially reasonable efforts, for all development related to the Licensed Compound and Licensed Product at its own cost. Tenovation shall, at its own expense and in its own name, also be responsible for all regulatory filings, approvals and ongoing maintenance, including the New Animal Drug Application (the “**NADA**”), as well as governmental affairs relating to product pricing. We have agreed not to independently or jointly with any third party engage in the clinical development or commercialization of veterinary drugs involving JAK1 and/or TYK2 inhibitors worldwide, and Tenovation has agreed not to independently or jointly with any third party engage in any research, development, manufacturing or commercialization of (i) drugs comprising the Licensed Compound for human use or (ii) veterinary drugs involving other JAK1 and/or TYK2 inhibitors, worldwide.

As part of the licensing arrangement with Tenovation, and at Tenovation’s request, we provided limited, one-time preclinical research and development services in 2023 to facilitate Tenovation’s transition to independent development of TLL-009. Such services formed an ancillary component of the overall licensing arrangement, rather than a standalone or ongoing service arrangement. The scope of such R&D services was narrowly defined, comprising the synthesis of TLL-009 and the conduct of in vitro whole blood/plasma ratio studies, which are standard preclinical assessments to support compound characterization and further development activities. The services were non-recurring and did not involve broader discovery, optimization, clinical development or platform-related activities. We did not retain any ongoing service obligations following completion of such work. Such services were provided at Tenovation’s cost, and we did not assume funding responsibility in connection with Tenovation’s subsequent development activities. The provision of such limited transition support services is consistent with customary practice in biopharmaceutical licensing transactions, where the licensor may provide certain technical assistance to enable the licensee to assume independent development responsibilities.

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In consideration for the license, in December 2023, we received a non-refundable upfront payment of RMB2.0 million. In addition, we are also eligible to receive milestone payments up to RMB28.0 million, contingent upon specified development and regulatory events related to certain regulatory filings, plus tiered royalties of low-two-digit percentage on net sales of the Licensed Products. Such milestones events include first filing of the Investigational New Animal Drug (“INAD”) and NADA approvals in China, Europe and the United States. Such royalties are payable on a country-by-country and product-by-product basis until the later of the expiration of the relevant patent rights or the twelfth anniversary following first commercial sale. If Tenovation grants any sublicense to a third party, the sublicense income shall be shared between the Tenovation and us in agreed proportions, with the applicable sharing ratio varying depending on the stage of clinical development. As of the Latest Practicable Date, no milestone payments had been triggered under the Tenovation Agreement; Tenovation has not entered into any sublicensing arrangements pursuant to the Tenovation Agreement, and no such consent has been requested or granted by us.

Each party shall solely own all inventions and other intellectual property rights in connection with the Tenovation Agreement that are created solely by or on behalf of such party. The parties will jointly own rights to all inventions and other intellectual property rights in connection with the Tenovation Agreement that are created jointly by or on behalf of Tenovation and us. We retain all intellectual property rights that were owned by us as of the execution of the agreement.

The Tenovation Agreement remains in effect until the expiration of the royal term on a country-by-country and product-by-product basis, unless earlier terminated by the parties. The Tenovation Agreement may be terminated earlier for uncured material breach by either party. We may also terminate the Tenovation Agreement in situations such as Tenovation’s bankruptcy and inability to continue payments, appointment of a receiver to manage its assets or business, assignment or attempted assignment for the benefit of creditors, change of control resulting from a merger or acquisition, or challenge to the validity of our intellectual property rights. Tenovation may terminate the Tenovation Agreement if the patents covering the Licensed Compound are declared invalid and cannot be amended or corrected within a reasonable period of time.

RESEARCH AND DEVELOPMENT

Research and development serves as a cornerstone of our business strategy, supporting our ability to foster innovation, advance pipeline assets, and maintain a competitive edge in the global pharmaceutical market. We conduct research and development activities primarily through our in-house scientific and development teams, supplemented by CDMOs and CROs engaged from time to time to support preclinical research and clinical trials. In addition, we have established strategic partnerships to accelerate pipeline development across key global markets, enhance our clinical execution capabilities, and facilitate long-term sustainable growth. For more details, see “— Our Material Collaboration and Licensing Arrangements.”

In-house R&D Team

Our R&D team consists of experienced scientists with proven track records of successful drug discovery and full clinical development from Phase I to NDA approval, backed by years of work in drug development, medical practice and strategic planning. Below set forth our R&D team heads that play key roles in leading the development of our drug candidates as of the Latest Practicable Date:

- **Dr. Congxin Liang**, Ph.D., provides strategic leadership in shaping the scientific direction of our R&D efforts. Dr. Liang has a career spanning more than 30 years in small molecule drug discovery. He is the principal inventor of Sutent[®] (sunitinib) for gastric and renal cancers, and the sole inventor of ensartinib and vorolanib — agents approved in China and the United States for lung and other oncology indications. His prior leadership roles at Sugen, Pharmacia, Pfizer, Scripps Florida, and as co-founder

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and chief scientific officer of Xcovery have yielded multiple marketed products. Dr. Liang’s multidisciplinary expertise and leadership anchor our strategic focus on autoimmune and neurodegenerative disease therapeutics.

- **Dr. Wei Tang**, Ph. D., leads our target discovery, preclinical development and early clinical development. Dr. Tang brings over 18 years of experience in immunology, pharmacology, and translational biomarkers. Formerly vice president of research at ACEA Pharmaceuticals, Dr. Tang has driven multiple programs from early discovery through clinical validation. Her postdoctoral tenure at the University of Texas Southwestern Medical Center further complements her scientific depth and leadership in autoimmune drug development.
- **Dr. Junmin Huang**, Ph.D., leads our quality management and CMC development. Dr. Huang has over 20 years of experience in drug synthesis, analytical development, and regulatory strategy. Having served in technical and management roles at Synta, Sanofi, Boehringer Ingelheim, Xcovery, and Zenshine Pharmaceuticals, Dr. Huang has led two successful NDA filings, managed over 30 IND programs, and supported post-approval lifecycle management for more than ten commercial products under FDA and EMA. His expertise continues to guide our CMC operations with precision and efficiency.
- **Mr. Yong Liu** leads the planning, execution and management of our clinical trials and patient care coordination. Mr. Liu brings more than two decades of leadership in clinical trial execution across China’s biotech sector. He previously served as senior director at Betta Pharmaceuticals (300558.SZ) and clinical director at China National Biotec Group Company Limited, where he led the strategy and successful registration of icotinib and ensartinib. His insights into clinical governance and operational delivery support our ongoing trials and regulatory execution.
- **Ms. Donghua Liu**, our senior director of clinical operations, manages the registrational study of TLL-018 in CSU and other key clinical programs. Ms. Liu has extensive experience across all stages of clinical development, particularly in oncology and endocrinology. Prior to joining us, she has held leading roles in the development of multiple innovative therapies, including the full clinical development of vorolanib from Phase I to Phase III and NDA filing. Her expertise in managing complex clinical programs enhances our clinical execution capabilities.
- **Dr. Peiyu Sun**, our senior medical director, is responsible for the overall medical strategy and execution across our clinical pipeline. Dr. Sun has built a successful track record for medical affairs management at renowned MNCs including Novartis, Bristol Myers Squibb, Astra Zeneca and Alibaba Health (0241.HK), experienced in providing medical support for new drug development and market entry. Her expertise contributes to the effective management of medical affairs involved in our clinical development progress. Earlier in her career, she worked as a physician in top-grade hospitals in China.
- **Ms. Lina Wang**, our senior director of clinical quality, leads the establishment and oversight of quality system across our clinical programs in China and the United States. Prior to joining us, she held senior roles in renowned MNCs, CROs and medical consulting firms, including Bayer, Beijing NoahPharm and Syneos Health, where she gained hands-on experience in regulatory inspections and clinical quality management. With decades of experience in project management and quality system development in the pharmaceutical industry, Ms. Wang contributes to the seamless execution of our clinical programs through advanced stages of development with full regulatory compliance.

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- **Mr. Guang Yang**, our director of clinical operations, is responsible for the Phase III registrational study of TLL-018 in RA and the clinical development of TLL-041 in China. Mr. Yang has established a strong track record of managing clinical programs at various stages, deeply involved in the clinical development of TLL-018 for multiple indications including RA and psoriasis. Prior to joining us, he developed extensive experience in registrational studies and clinical strategy development at China National Biotech Group Company Limited. His comprehensive understanding of clinical development contributes to the effective execution and advancement of our clinical programs.

The above R&D members are the key R&D personnel involved in the development of our Core Product, TLL-018, all of whom remain employed by us during the Track Record Period and as of the Latest Practicable Date.

Our R&D team has extensive expertise in target discovery, clinical operations, quality management, data management and medical affairs. As of the Latest Practicable Date, our in-house research and development team consisted of 80 members, including 12 for research, 57 for clinical development and 11 for CMC and regulatory affairs. 34% of our R&D members held a master’s or higher degree.

During the Track Record Period and up to the Latest Practicable Date, substantially all key R&D personnel involved in the research and development of our Core Product, TLL-018, remained employed by us.

Our Proprietary Technology Platform

We have established a unique kinase chemistry platform by integrating multidisciplinary foundational knowledge spanning medicinal chemistry, computational chemistry and quantum chemistry, which serves as a cornerstone for our cutting-edge drug design. With innovative structural modifications of H-Donor, this platform represents a differentiated strategy compared with conventional approaches seen in JAK inhibitors such as tofacitinib, baricitinib, and upadacitinib, all of which incorporate hydrogen bond donors in their molecular structures. The H-Donor-free design of TLL-018, TLL-041/BHV-8000, TLL-009, and HL-500 has enabled exceptional selectivity and/or blood-brain barrier (BBB)-penetrant capabilities. See “— Our Strengths” for the diagram highlighting the structural innovation of our kinase scaffold relative to conventional small molecules.

R&D Process

To advance our pipeline, we have implemented a structured R&D project management framework that covers the full spectrum of the drug development lifecycle, from target discovery to clinical trials. This framework aims to maximize resource efficiency, accelerate development progress and improve the success rate of our innovative drug candidates. Key functions of our R&D organization for each stage of this process are set forth below:

- ***Target selection and lead compound development.*** Prior to launching our R&D project, our team of chemists, biologists, medical and clinical experts discuss unmet medical needs, limitations of existing therapies, and potential opportunities. They then explore and evaluate possible solutions or targets, assess feasibility and competitive advantages, and determine a target product profile. Once a target is selected, our medicinal chemistry team reviews the competitive landscape, including relevant competitor patents, and designs novel, patentable compounds for synthesis. In parallel, our biology team establishes and validates primary and secondary assays. Through efficient compound design and synthesis, combined with rapid in-house screening, we are able to identify and optimize lead compounds in a timely manner.

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- ***Preclinical and IND-enabling studies.*** Once a candidate is identified, our team seamlessly advances to IND-enabling studies. Our biology team leads the translational efforts, including experimental planning and execution of pharmacological, toxicological and pharmacokinetic studies. Our CMC team optimizes the synthetic process, identifies appropriate salt and crystal forms, and develops suitable formulations. Within just five years, our team, growing from four to 15 scientists and associates, has synthesized and screened approximately 1,000 compounds, identifying five clinical candidates. This represents an exceptional efficiency of approximately 10 FTE years per IND.
- ***Clinical Development.*** We have established a comprehensive clinical development framework that integrates clinical operations, data management, quality management and medical affairs to support the successful execution of clinical trials. Our clinical operations team is responsible for the planning, execution and management of clinical trials. Our data management team oversees all aspects of clinical trial data, including collection, cleaning, analysis, documentation and database management to ensure data accuracy and integrity. Our clinical quality department oversees compliance with GCP, regulatory requirements and internal SOPs by conducting audits and site inspections as well as quality monitoring throughout the trial lifecycle. Our medical team provides meaningful medical insights for clinical trials and regulatory submissions, facilitating communication between clinical teams, investigators and trial sites to uphold scientific and ethical standards across all stages of development.
- ***CMC.*** Our CMC team plays a pivotal role in supporting the pharmaceutical development manufacturing process. Their responsibilities include formulation design, analytical method development and validation, process development and optimization, quality specification setting, stability studies and safety evaluations, allowing early assessment of optimal drug properties. The team also oversees the manufacturing of drug substances and drug products, ensuring that technology transfer, scale-up, and commercialization processes are conducted in full compliance with GMP and regulatory requirements. In addition, the CMC team is responsible for establishing and maintaining a pharmaceutical quality management system that supports continuous improvement and ensures regulatory compliance across all stages of development.

Collaboration with Third Parties

Collaboration with external R&D partners is a major component of our R&D strategy. In addition to our in-house R&D activities, we also collaborate with reputable CROs to support our preclinical research and clinical trials under our close oversight and management.

We select CROs based on professional qualifications, relevant research experience, service quality, efficiency, industry reputation, and costs, and ensure that all intellectual property generated from such collaborations belongs to us. Depending on the specific service requirements, we engage CROs through project-based service agreements, which define the scope of work, sample size, procedures, deliverables, timelines, and payment terms. CROs are required to comply with all applicable laws and regulations and adhere to our established protocols, ensuring the accuracy and authenticity of clinical trial results. To maintain data integrity and regulatory compliance, we also exercise oversight of our CRO partners. This includes regular progress meetings, execution reviews, and periodic audits, ensuring adherence to our protocols and regulatory requirements. Our proactive management approach reinforces the quality and reliability of data generated from our trials, supporting the advancement of our pipeline and strengthening our overall clinical development strategy.

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Key terms of agreements that we typically enter into with our CROs are set forth below:

- **Services.** The CROs shall provide high-quality services to us, including the implementation and management of a preclinical or clinical research project as specified in the agreement.
- **Term.** The CROs are required to perform their services and complete the research project within the prescribed time limit set out in each agreement or work order, usually on a project basis.
- **Payments.** We are required to make payments to the CROs in accordance with the payment schedule agreed by the parties.
- **Intellectual property rights.** We own all intellectual property rights arising from the clinical research projects conducted by the CROs within the stipulated work scope.
- **Confidentiality.** Our CROs are not allowed to disclose confidential information, including but not limited to, any information or data related to research, development, processes and protocols as specified in the agreement, and such obligation generally survives for a specified period.
- **Risk allocation.** We are generally responsible for the risks associated with the research project, while the CROs should indemnify us for losses caused by their fault or gross negligence.

We maintain strong cooperative relationships with trial sites (i.e., hospitals) and principal investigators (PIs) who also serve as our KOLs to support our clinical trials, and we have not engaged any KOLs other than such PIs. Our medical and clinical team is responsible for formulating trial protocols and selecting and engaging trial sites and PIs to carry out these trials. The PIs, who are generally physicians or researchers at the trial sites, lead the clinical trial activities for our drug candidates. We do not directly enter into agreements with PIs other than confidentiality agreements. In accordance with the laws and regulations, we enter into clinical trial cooperation agreements with the clinical trial sites that the PIs belong to and settle the fees and expenses with those sites. During the Track Record Period, we incurred expenses in relation to our cooperation with the clinical trial sites of RMB22.2 million, RMB26.6 million and RMB3.6 million in 2024, 2025 and the three months ended March 31, 2026, respectively.

Key terms of agreements that we typically enter into with clinical trial sites are set forth below:

- **Trial Materials.** We provide the clinical trial sites with trial protocols and other trial-related documents, investigational drugs, consumables, and necessary research funding.
- **Monitoring and Compliance.** We appoint qualified monitors to oversee the data management, analysis and quality control of clinical trials and ensure compliance with GCPs and other applicable laws and regulations.
- **Qualification of PI.** The clinical trial site is responsible for reviewing the qualifications of PIs and their research team. We may assist the sites in performing this review.
- **Data Management and Reporting.** The clinical trial site is responsible for maintaining and organizing all records and documents related to the clinical trial and shall provide such records and documents to us upon request.
- **Costs and Funding.** We typically cover the expenses for trial participants, typically include the costs of medical examinations and treatment, and compensation such as their meals and travel costs.
- **Confidentiality.** The clinical trial site is obliged to maintain the confidentiality of the agreements and any trial-related materials.
- **Intellectual Property.** All documents, materials, information, case report forms, and data related to the clinical trial, as well as any associated ownership rights, potential intellectual property, technical know-how, or trade secrets, shall be solely owned by us. The clinical trial sites and PIs may use such data and results for non-commercial internal research and educational purposes subject to our prior written consent.

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- ***Indemnification and Liability.*** We provide legal and financial indemnification to the clinical trial institution and the investigators. We shall bear legal liability for any injury or death suffered by subjects that arises from the conduct of the clinical trial. The clinical trial sites and PIs shall bear legal liability for any damages or losses resulting from the negligence, misconduct, or breach of applicable laws or regulations by the PIs.
- ***Termination.*** The agreement may be terminated by mutual consent upon prior written notice.

R&D Facilities

Our R&D activities were primarily conducted in China and the United States. Our Hangzhou facility serves as the core of our R&D activities, housing our key technology platforms and well-equipped research laboratory to support our drug discovery, preclinical, and clinical needs. In addition to this central R&D hub, we also conduct R&D activities in Wuhan, Beijing, and the United States. The collective efforts across our multi-regional research infrastructure and operations are instrumental in the rapid, smooth and efficient execution of our drug development plans in China and globally.

MANUFACTURING

To date, our manufacturing activities are conducted through CDMOs to support our drug development process. We currently outsource our manufacturing activities to a number of globally recognized CDMOs with extensive expertise in research, development and production. We select CDMOs by taking into account a number of factors, such as their manufacturing capacity and qualifications, technical expertise and scale production experience, quality and compliance records, geographic proximity and supply security, track record and industry reputation, cost and delivery capabilities. We have adopted, and will continue to implement, lifecycle management procedures for our CDMOs to ensure that their production qualifications, facilities and processes comply with applicable regulatory requirements and our internal guidelines and quality standards. For more details, see “— Quality Control.”

Key terms of the agreements that we typically enter into with our CDMOs are set forth below:

- ***Services.*** The CDMOs provide us with manufacturing services according to cGMP requirements, quality standards and prescribed time frame as set out in the master agreement or work order.
- ***Quality control.*** The CDMOs are obliged to ensure that the quality of products meets the quality standards set out in the agreement and requirements of cGMP and other regulations, and to provide certificate of analysis.
- ***Payments.*** We are required to make payments to the CDMOs in accordance with the payment schedule set forth in the agreement, which is typically linked to the stages of the manufacturing process and the deliverables we receive.
- ***Intellectual property rights.*** We own all product-related intellectual property rights arising from the outsourced manufacturing processes.
- ***Confidentiality.*** Our CDMOs are not allowed to disclose confidential information, including but not limited to any technical materials, research reports or trial data related to the project as specified in the agreement, and such obligation generally survives for a specified period.
- ***Remedies for non-conforming products.*** If the CDMOs fail to deliver products or comply with substantial obligations due to its own reasons under the relevant agreement, we are entitled to terminate the agreement and request liquidated damages and compensation for losses due to the failure according to the work order.

As of the Latest Practicable Date, we do not have any in-house manufacturing facility that was operational. In the medium to long term, subject to capital investment, site selection and regulatory approvals, we plan to establish in-house manufacturing capabilities for clinical trial products and pilot-scale production, and further expand our manufacturing capability following commercialization. In parallel, we may continue to rely on qualified CDMOs for the manufacturing of our drug candidates as needed.

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QUALITY CONTROL

Quality control and quality assurance are critical to our continued success. We are committed to ensuring the quality of our operations through a comprehensive quality management system that spans all key stages of drug substance and drug product development and manufacturing processes, which is meticulously established in accordance with rigorous regulations and guidelines in China, the United States and Europe, as well as international guidelines. We closely monitor evolving cGMP standards and regulatory developments in these markets, continuously updating our internal procedures to adhere to the highest international standards for patient safety and regulatory compliance.

Our CMC and clinical quality teams are dedicated to ensuring the quality systems cover all key stages of product development. All team members possess the work experience and knowledge background that match their positions, and the necessary qualifications that meet the requirements of our quality management activities.

We have established comprehensive quality control and assurance procedures to ensure compliance with relevant regulatory requirements and our internal quality standards. These procedures primarily include supplier qualification and inspection of raw and packaging materials, development and validation of analytical methods, in-process controls and monitoring of critical quality attributes (CQAs), establishment of product release standards, stability studies and annual product reviews, cleaning validation and cross-contamination control (in accordance with Health-Based Exposure Limit), impurity and risk assessments, as well as data integrity and computerized system compliance. We engage external organizations to conduct inspections on quality control. Further, we have adopted procedures to ensure that the production qualifications, facilities and processes of our CDMO partners comply with the relevant regulatory requirements and our internal standards. For example, to monitor and evaluate the services performed by our CDMO partners, we regularly audit and inspect their relevant documents and records and conduct on-site inspections to ensure that operations of our CDMO partners are in compliance with relevant procedure requirements. We are committed to continuously optimizing and improving our quality management system to ensure patient safety and regulatory compliance.

COMMERCIALIZATION

We currently have no drugs approved or at the commercial stage; however, we have been strategically developing our commercial planning and portfolio management capabilities since our pipeline drug candidates entered the late stages of clinical trials.

Sales and Marketing

TLL-018, our Core Product, is projected to file for NDA with the NMPA in 2026. We plan to seek collaborations with CSOs to promote the marketing and sales of TLL-018 upon its commercialization in China. We aim to achieve fast market access for our products in a cost-effective way by leveraging CSOs’ established distribution channels, sales and marketing capabilities, capital resources and market intelligence and insights. As of the Latest Practicable Date, we have not entered into any definitive agreements, nor have we identified any specific CSOs for the commercialization of TLL-018. We plan to align the identification of CSO and the execution of a definitive agreement with the anticipated timeline for the NDA submission and approval of our Core Product and its expected commercial launch. Our selection of CSO is based on the following considerations: (i) capability and strategic alignment, including track record in autoimmune and dermatology therapeutic areas, existing commercial footprint, ability to rapidly deploy local sales forces and digital capabilities to support a hybrid promotion model; (ii) compliance and quality assurance, requiring a sound regulatory compliance record, established sales-force training and supervision systems and comprehensive policies for the management of sensitive physician information; (iii) commercial and operating model, assessing past sales performance, team set-up and scalability, financial resources and clearly defined performance metrics; and (iv) operational coordination, covering sales-force stability, availability of routine sales and activity reporting and the ability of the CSO team to work in coordination with our internal commercial functions. Our near-term commercial focus is primarily on the China market, while our long-term strategy is to develop innovative therapies with global potential and selectively pursue globalization opportunities where commercially and strategically appropriate. As of the Latest Practicable Date, we do not have any near-term commercialization plans in the United States or other overseas jurisdictions. Should we pursue commercialization opportunities in overseas markets in the future, we currently expect to do so primarily through external partnerships and collaboration arrangements.

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Furthermore, as we identify favorable market opportunities, we may explore to assemble a dedicated sales and marketing force with extensive experience in our focused therapeutic areas. This sales and marketing team shall be primarily responsible for domestic marketing strategy, product positioning, market access, market penetration, promotion activities and patient support. We expect this team will work synergistically with our partners in ensuring the penetration of our products in major markets. We will devise differentiated strategies for each drug based on their characteristics and clinical trial data.

Pricing

We expect the pricing of our Core Product, TLL-018 to be determined by various factors such as (i) the competitive landscape of the addressable market at the time of our commercial launch, (ii) the value propositions of our Core Product including drug efficacy and safety, (iii) the supply and production costs, and (iv) our pricing strategies. In China, we anticipate engaging in government-led negotiations to secure inclusion in the NRDL to ensure affordability and patient access. We expect that the Core Product will be priced at a fair premium compared to its competitors in China, reflecting its value propositions. For more details of pricing and reimbursement for comparable marketed JAK inhibitors, see “Industry Overview — Global JAK Inhibitor Market — Market Opportunities of JAK Inhibitors in Autoimmune Diseases.” Our pricing strategy will follow a lifecycle approach and is designed to retain sufficient flexibility for future NRDL negotiations and long-term volume expansion as additional indications come to market. We will continue to refine our commercial strategy to align with market dynamics and regulatory requirements.

We intend to seek inclusion of TLL-018 in the NRDL through active engagement with relevant government authorities and key stakeholders. TLL-018 is the world’s first JAK inhibitor to demonstrate promising efficacy in CSU in a Phase Ib trial and has demonstrated superior clinical benefit over tofacitinib in a head-to-head Phase IIa trial in RA, with two Phase III trials in RA and CSU ongoing. We believe these results will provide data package for future NRDL negotiations. Our Directors believe that the NRDL inclusion for TLL-018 will be favored by relevant authorities in China, taking into account the large CSU and RA patient populations it targets, its favorable clinical profile observed in clinical trials, and the policy focus in China on improving access to innovative therapies for the management of chronic diseases.

INTELLECTUAL PROPERTY

Intellectual property rights are important to the success of our business, and we are committed to the development and protection of our intellectual properties. We rely on a combination of patent and other intellectual property rights, as well as confidentiality procedures, non-disclosure agreements, employee non-disclosure and invention assignment agreements, and other contractual restrictions to establish and protect our commercially important technologies, inventions and know-how related to our business.

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we own (i) seven issued patents in China, (ii) three issued patents in the U.S., (iii) 48 issued patents in other jurisdictions, and (iv) 76 pending patent applications, including two in China, four in the U.S., and 70 in other jurisdictions.

As of the Latest Practicable Date, with respect to our Core Product, TLL-018, we own three issued patents in China, one issued patent in the U.S., and 16 issued patents in other jurisdictions, along with 15 patent applications, including one in China and 14 in other jurisdictions.

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The following table sets forth the portfolio of patents and patent applications material to our business operations as of the Latest Practicable Date:

Title	Publication number	Patent holder	Jurisdiction	Status	Application date	Date of grant	Expiration date*
Novel Jak1 selective inhibitors and uses thereof .	AU2022201058B2	Our Company	Australia	Issued	September 30, 2017	June 29, 2023	September 30, 2037
Novel Jak1 selective inhibitors and uses thereof .	CN108366994B	Our Company	PRC	Issued	September 30, 2017	October 1, 2021	September 30, 2037
Novel Jak1 selective inhibitors and uses thereof .	CN113214278B	Our Company	PRC	Issued	September 30, 2017	October 28, 2022	September 30, 2037
Novel Jak1 selective inhibitors and uses thereof .	HK40047523A1	Our Company	Hong Kong	Issued	September 30, 2017	February 17, 2023	September 30, 2037
Novel Jak1 selective inhibitors and uses thereof .	HK40004735A1	Our Company	Hong Kong	Issued	September 30, 2017	August 26, 2022	September 30, 2037
Novel Jak1 selective inhibitors and uses thereof .	IL291265B	Our Company	Israel	Issued	September 30, 2017	April 3, 2023	September 30, 2037
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	AU2020289149B2	Our Company	Australia	Issued	April 30, 2020	August 24, 2023	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	CN113906035B	Our Company	PRC	Issued	April 30, 2020	November 10, 2023	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	EA045390B1	Our Company	Eurasia	Issued	April 30, 2020	November 22, 2023	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	EA050378B1	Our Company	Eurasia	Issued	April 30, 2020	July 2, 2025	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	EA047316B1	Our Company	Eurasia	Issued	April 30, 2020	June 28, 2024	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	HK40058904A1	Our Company	Hong Kong	Issued	April 30, 2020	June 14, 2024	April 30, 2040

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Title	Publication number	Patent holder	Jurisdiction	Status	Application date	Date of grant	Expiration date*
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof . . .	IN404936B	Our Company	India	Issued	April 30, 2020	August 29, 2022	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	JP7320628B2	Our Company	Japan	Issued	April 30, 2020	July 26, 2023	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	KR102785014B1	Our Company	Korea	Issued	April 30, 2020	March 18, 2025	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	MX415652B	Our Company	Mexico	Issued	April 30, 2020	August 6, 2024	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	NZ782816B2	Our Company	New Zealand	Issued	April 30, 2020	June 4, 2025	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	US12195476B2	Our Company	United States	Issued	April 30, 2020	January 14, 2025	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	CA3142625C	Our Company	Canada	Issued	April 30, 2020	October 07, 2025	April 30, 2040
Synthesis method of furoimidazopyridine compound, crystal form of furoimidazopyridine compound, and crystal form of salt thereof	IL288348B	Our Company	Israel	Issued	April 30, 2020	October 15, 2025	April 30, 2040

* Patent expiration date does not include any applicable patent term adjustments or patent term extensions.

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The actual protection afforded by a patent varies on a claim-by-claim and jurisdiction-by-jurisdiction basis and depends on many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular jurisdiction, and the validity and enforceability of the patent. We cannot provide any assurance that patents will issue with respect to any of our patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our issued patents or any such patents that may be issued in the future will be commercially useful in protecting our drug candidates and methods of manufacturing the same. See “Risk Factors — Risks Relating to Our Intellectual Property Rights” for a description of risks related to our intellectual property.

As of the Latest Practicable Date, we have (i) 25 registered trademarks in China, (ii) one registered trademark in other jurisdiction, and (iii) six trademark applications in China. We are also the registered owner of two domain names.

We enter into license and collaboration agreements and other relationships with biopharmaceutical companies and other industry participants, through which we may grant access to our own intellectual property, or gain access to the intellectual property of others. See “— Our Material Collaboration and Licensing Arrangements.”

During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any legal, arbitral or administrative proceedings in respect of, and we had not received notice of any material claims of infringement, misappropriation or other violations of third-party intellectual property; and (ii) we were not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the research and development for any of our drug candidates in which we may be a claimant or a respondent.

A freedom-to-operate searches and analyses (“**FTO Analysis**”) has been conducted in China and the United States in relation to our Core Product, TLL-018. Based on the FTO Analysis, our Directors are of the view that there are no valid and enforceable patents of any third party in China covering the compound structure per se, tablet formulation and three indications (CSU, RA and AD) currently under development of our Core Product. Our Directors confirmed that the FTO Analysis conducted in China and the United States in relation to our Core Product is sufficient to identify material risks of infringement of third-party patents or patent applications for the following reasons: (i) we have primarily conducted research and development in China and the United States since inception, and all clinical trials to date have been conducted in these two jurisdictions, which are also expected to be the key markets for future commercialization of our drug candidates; as TLL-018 is currently undergoing Phase III clinical trials in CSU and RA in China with expected NDA submission for RA by the end of 2026 and for CSU in the first quarter of 2027, we expect to generate revenue mainly from sales of TLL-018 in the near term, and China is expected to become the major market in terms of revenue contribution upon commercialization; accordingly, conducting FTO Analysis specifically in these two jurisdictions is aligned with our commercial strategy and the principle of materiality; and (ii) China and the United States represent two of the world’s most significant and active patent jurisdictions for pharmaceutical innovations, and third-party patents in these jurisdictions pose the most relevant infringement risks to our Core Product. While we own patents in jurisdictions outside China and the United States, we currently do not operate and have no near-term commercialization plan in such additional jurisdictions.

Further, we have adopted a range of measures to mitigate the risk of potential infringement of third-party patents. We have regularly engaged qualified external patent counsel to conduct patentability assessments and ongoing monitoring of relevant patent families. We have also maintained internal procedures and professional personnel for intellectual property management, including tracking our own patent portfolio, monitoring competitor filings and coordinating timely consultation with external counsel. Going forward, we may conduct additional FTO analyses as required for business expansion. We believe that such measures can effectively identify and mitigate the risk of third-party patent infringement in the course of our business operations.

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DATA PRIVACY AND PROTECTION

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. We have established comprehensive procedures and strict internal policies to protect the confidentiality of patients’ data throughout the collection, handling, storage, retrieval and access processes. Our information technology infrastructure features multiple protective layers securing databases and servers, with protocols preventing unauthorized network access. For the transfer of scientific data, we implement encryption and secure transfer protocols to maintain data integrity and confidentiality when sharing information between research sites, collaborators, and regulatory authorities. We have established standardized procedures for scientific data transfers that comply with relevant cross-border data transfer regulations and international research standards. For clinical trials, we strictly limit data access to authorized personnel in accordance with GCP regulations, and have appointed dedicated database administrators responsible for maintenance, access control and security protection. We require all personnel and external parties involved in clinical trials to comply with confidentiality requirements designed to ensure that data are used solely for purposes agreed by patients in the informed consent. Employees with access to confidential information are required to enter into confidentiality agreements obligating them to protect such information during employment and after departure. We regularly conduct training on data security policies to ensure compliance with these measures.

During the Track Record Period and up to the Latest Practicable Date, our operations did not involve any cross-border transfer of personal data. During the Track Record Period and up to the Latest Practicable Date, (i) we had not experienced any material data leakage, (ii) as advised by our PRC Legal Advisor, in the key jurisdiction where we operate, we had not been subject to any material fines, administrative penalties or sanction by relevant regulatory authorities in relation to violation of data protection laws and regulations, and (iii) we had complied with all applicable laws and regulations on data privacy and security in all material respects.

The Measures for Cybersecurity Review (《網絡安全審查辦法》) prescribes the following conditions under which a cybersecurity review must be conducted. A company is required to undergo such a review if any of the following circumstances apply: (i) critical information infrastructures operators that purchase network products and services shall anticipate the potential national security risk of products and services after they enter operation, and they influence or could influence national security; (ii) online platform operators holding the personal information of more than one million users and listing abroad; or (iii) regulatory authorities have initiated a review based on their official prerogative.

During the Track Record Period and as the Latest Practicable Date, (i) we have not been notified by the relevant industry regulatory or supervisory authorities that we are classified as operators of critical information infrastructure operator; (ii) our [REDACTED] location is Hong Kong, which does not fall under the scope of “listing abroad”; and (iii) we have not received any notification from the relevant authorities regarding the initiation of a cybersecurity review based on their official authority. Therefore, our PRC legal advisor is of the opinion that the relevant laws and regulations under the Measures for Cybersecurity Review do not apply to us.

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers primarily consisted of CROs, CDMOs, and suppliers of R&D materials. Purchases from our five largest suppliers in each year/period for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026 were RMB35.9 million, RMB47.6 million and RMB16.3 million, respectively, representing 34.8%, 35.4% and 51.5% of our total purchases for the respective periods. Purchases from our single largest supplier in each year/period for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026 were RMB18.2 million, RMB15.1 million and RMB8.7 million, respectively, representing 17.6%, 11.2% and 27.6% of our total purchases for the respective periods.

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We select our suppliers based on their quality, costs, delivery standards, industry reputation and compliance with or qualification under relevant regulations and industry standards. We believe that we maintain strong and stable relationships with our major suppliers. During the Track Record Period, we did not experience any material disputes with our suppliers, difficulties in the procurement of raw materials or services, disruptions to our operations due to a shortage of or delay in supply of raw materials or services, or significant fluctuations in raw material and/or service prices.

During the Track Record Period and up to the Latest Practicable Date, we engaged a certain third-party CDMO service provider for manufacturing-related services in connection with our product candidates. As advised by our legal advisor to U.S. laws, unlike earlier legislative proposals that explicitly named certain entities, the BIOSECURE Act, which was enacted into law in the United States in December 2025 as part of the National Defense Authorization Act for Fiscal Year 2026, does not list specific prohibited companies. Instead, it establishes an administrative listing process overseen by the U.S. Office of Management and Budget (OMB) alongside automatic incorporation of entities identified on the U.S. Department of Defense’s Section 1260H list of Chinese military companies. As of the Latest Practicable Date, such third-party CDMO service provider has not been designated as a biotechnology company of concern under the BIOSECURE Act, nor is it included on the Department of Defense’s Section 1260H list. We are aware that on December 18, 2025, leadership of certain committees of the U.S. Congress issued a formal letter to the U.S. Department of Defense recommending that certain companies, including our third-party CDMO service provider, be added to the Section 1260H list. If an entity is designated under the BIOSECURE Act or listed on the Section 1260H list, U.S. federal agencies are prohibited from procuring its services, and federal contractors are restricted from utilizing its biotechnology equipment or services in the performance of U.S. government contracts. However, as of the Latest Practicable Date, no administrative action or listing determination had been taken in connection with this recommendation.

Our Directors are of the view that the BIOSECURE Act and related geopolitical developments did not have any material adverse impact on the Group’s business operations, financial performance or liquidity during the Track Record Period and up to the Latest Practicable Date. In particular, (i) the Group’s principal operations, management and research and development activities are primarily conducted in China, (ii) the Group did not derive revenue from U.S. government procurement contracts during the Track Record Period and up to the Latest Practicable Date, (iii) the Group did not rely on such service provider for any exclusive or irreplaceable core technology or operational capability, and (iv) the Group maintained the ability to engage alternative CDMOs for relevant services, if necessary. Further, the Group’s relationships with existing and potential customers, suppliers and government authorities have not been materially adversely affected by the proposed BIOSECURE Act or related geopolitical developments during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, the Group has not received any material notice, inquiry, restriction or objection from regulatory authorities, customers or business partners requiring termination of cooperation with such service provider or otherwise materially affecting the Group’s operations.

Notwithstanding the foregoing, we recognize that geopolitical tensions and evolving regulatory developments, including proposed U.S. legislation relating to biotechnology supply chains, may create uncertainties for companies operating in the life sciences sector. Accordingly, we continue to monitor legislative and regulatory developments in relevant jurisdictions and has adopted measures to mitigate potential risks, including (i) maintaining operational flexibility in selecting CRO and CDMO service providers, (ii) diversifying potential suppliers and external service providers where commercially appropriate, (iii) conducting ongoing assessments of supply chain and regulatory risks, and (iv) evaluating alternative arrangements for future manufacturing and research activities as part of our broader operational and commercialization planning. See “Risk Factors — Risks Relating to Government Regulations — Changes in international trade policies may cause significant disruptions to our business and results of operations.”

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The following table sets forth details of our five largest suppliers during the Track Record Period:

Supplier	Supplier background	Products/service purchased	Year(s) of business relationship	Purchase amount (RMB'000)	% of total purchases
<i>For the three months ended March 31, 2026</i>					
Supplier A	A CRO established in 2004, headquartered in Beijing, China and listed on the Stock Exchange and Shenzhen Stock Exchange	CRO services	Since 2019	8,734	27.6%
Supplier D	A CRO established in 2014, headquartered in Beijing, China	CRO services	Since 2024	3,623	11.5%
Supplier C	A CDMO established in 2005, headquartered in Chongqing, China and listed on Shenzhen Stock Exchange	CDMO services	Since 2023	1,717	5.4%
Anhui CTS Co., Ltd. (安徽賽德盛醫藥科技股份有限公司).	A CRO established in 2010, headquartered in Anhui, China	CRO services	Since 2025	1,412	4.5%
Zhejiang Jiuzhou Pharmaceutical Co., Ltd. (浙江九洲藥業股份有限公司).	A CDMO established in 1998, headquartered in Zhejiang, China and listed on the Shanghai Stock Exchange	CDMO services	Since 2022	791	2.5%
				<u>16,277</u>	<u>51.5%</u>
Supplier	Supplier background	Products/service purchased	Year(s) of business relationship	Purchase amount (RMB'000)	% of total purchases
<i>For the year ended December 31, 2025</i>					
Supplier A	A CRO established in 2004, headquartered in Beijing, China and listed on the Stock Exchange and Shenzhen Stock Exchange	CRO services	Since 2019	15,064	11.2%
Allsino Pharmaceutical Co., Ltd. (杭州澳賽諾生物科技股份有限公司).	A pharmaceutical company established in 2007, headquartered in Zhejiang, China	Raw materials	Since 2021	12,986	9.7%

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Supplier	Supplier background	Products/service purchased	Year(s) of business relationship	Purchase amount (RMB'000)	% of total purchases
Supplier B	A CDMO established in 2000, headquartered in Jiangsu, China and listed on the Stock Exchange and Shanghai Stock Exchange	CRO and CDMO services	Since 2021	12,481	9.3%
Zhejiang Jiuzhou Pharmaceutical Co., Ltd. (浙江九洲藥業股份有限公司)	A CDMO established in 1998, headquartered in Zhejiang, China and listed on the Shanghai Stock Exchange	CDMO services	Since 2022	3,827	2.8%
Supplier F	A CRO established in 2006, headquartered in Beijing, China	CRO services	Since 2025	3,231	2.4%
				<u>47,589</u>	<u>35.4%</u>

Supplier	Supplier background	Products/service purchased	Year(s) of business relationship	Purchase amount (RMB'000)	% of total purchases
<i>For the year ended December 31, 2024</i>					
Supplier B	A CDMO established in 2000, headquartered in Jiangsu, China and listed on the Stock Exchange and Shanghai Stock Exchange	CRO and CDMO services	Since 2021	18,206	17.6%
Supplier C	A CDMO established in 2005, headquartered in Chongqing, China and listed on Shenzhen Stock Exchange	CDMO services	Since 2023	6,082	5.9%
Zhejiang Jiuzhou Pharmaceutical Co., Ltd. (浙江九洲藥業股份有限公司)	A CDMO established in 1998, headquartered in Zhejiang, China and listed on the Shanghai Stock Exchange	CDMO services	Since 2022	5,530	5.4%
Supplier D	A CRO established in 2014, headquartered in Beijing, China	CRO services	Since 2024	3,208	3.1%
Supplier E	A pharmaceutical company established in 2008, headquartered in Zhejiang, China	Raw materials	Since 2024	2,895	2.8%
				<u>35,921</u>	<u>34.8%</u>

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All of our five largest suppliers during the Track Record Period were Independent Third Parties. None of our Directors or their close associates or, to the knowledge of our Directors, any Shareholder with over 5% of the share capital of our Company has any interest in any of our five largest suppliers during the Track Record Period.

CUSTOMERS

During the Track Record Period, our revenue was primarily derived from out-licensing and collaboration arrangements with Biohaven, including income of intellectual property to collaborators, representing non-refundable and non-deductible upfront payments received from collaborators. For further details, see “Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue.” For the year ended December 31, 2025, revenue generated from our largest customer amounted to RMB107.4 million, representing 100.0% of our total revenue for the same year. We recorded revenue of nil in 2024 and the three months ended March 31, 2026.

The following table sets forth details of our largest customer during the Track Record Period:

Customer	Customer background	Services purchased	Year(s) of business relationship	Revenue contribution (RMB'000)	% of total revenue
<i>For the year ended December 31, 2025</i>					
Biohaven	A biopharmaceutical company listed on the New York Stock Exchange, with its U.S. headquarters located in New Haven, Connecticut	License grant	Since 2023	107,379	100.0%
				<u>107,379</u>	<u>100.0%</u>

COMPETITION

The market for autoimmune disease and neurodegenerative drugs is evolving and highly competitive. While we are confident that our research and development capabilities allow us to establish a favorable position in industry, we face competition from both international and domestic biopharmaceutical companies, as well as specialty pharmaceutical and biotechnology firms of varying sizes, along with academic and research institutions. For more information on the competitive landscape of our drug candidates, please refer to the section headed “Industry Overview” in this document and the paragraphs under “— Market Opportunity and Competition” in this section.

We believe that the primary competitive factors in our markets include the identification of promising targets, mechanisms, and pathways for drug development, molecule screening and design, efficacy and safety of drug candidates, manufacturing efficiency, and commercialization development. We expect the competition will become more intensive in the future as additional players enter into the segments. Any drug candidates successfully developed and commercialized by us will compete with existing drugs or any new drugs that may become available in the future. For potential impact of market competition, please see “Risk Factors — Risks Relating to the Research and Development of Our Drug Candidates — 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.”

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EMPLOYEES

As of March 31, 2026, we had a total of 99 full-time employees, a majority of whom were based in China. The following table sets forth a breakdown of our employees categorized by function as of March 31, 2026:

Function	Number	Percentage
Research.	12	12.1%
Clinical Development	56	56.6%
CMC and Regulatory Affairs	11	11.1%
General and Administrative.	20	20.2%
Total.	99	100.0%

We recruit employees primarily through online platforms and employee and headhunter referrals. We enter into standard labor, confidentiality, and intellectual property ownership agreements with our key employees to protect proprietary information and secure company rights to work-related innovations. We provide our employees with a diverse array of professional development opportunities and foster a performance-driven environment, including pre-job training, periodic on-the-job training and special skills training.

We are committed to ensuring that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurance, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. Our compensation package also comprises annual physical examination as well as holiday and birthday benefits. In addition, we offer a range of incentive schemes designed to attract, retain and motivate employees, including the share incentive scheme and bonuses for employee inventions.

As of the Latest Practicable Date, we have not established a labor union. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition, or results of operations.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business to safeguard against risks and unexpected events. Our insurance policies cover adverse events in our clinical trials. We also maintain social insurance for our employees in accordance with relevant PRC laws and regulations. We believe that our insurance coverage is adequate to cover our key assets, facilities, and liabilities.

SOCIAL, HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

We acknowledge our environmental protection and social responsibilities and closely focus on the environmental, energy, climate-related and workplace safety issues that may impact our Group’s business operations. We have implemented company-wide environmental, health and safety policies and standard operating procedures in relation to work safety, environmental protection, fire safety,

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emergency response and occupational health. Our employees are required to regularly take internal and external training on environmental, health and safety matters. We are committed to complying with environmental, social and governance (“ESG”) reporting requirements upon [REDACTED].

Our Board has overall responsibility for (i) overseeing and determining our Group’s environmental, social, and climate-related risks and opportunities that impact our Group, (ii) establishing ESG-related targets of our Group, (iii) adopting the ESG-related policies, and (iv) reviewing our Group’s performance in ESG matters.

Environmental Protection

We strive to operate our facilities in a manner that protects the environment. We do not operate in a highly polluting industry, but the R&D process of our product candidates involves the use of hazardous, flammable and toxic materials, and may generate exhaust gas and wastewater, solid waste, and other hazardous waste.

To ensure compliance with national, industrial, and local environmental standards, laws, regulations, and policies, we have implemented internal policies for environmental risk prevention. These policies include: (i) strict adherence to cGMP regulations and relevant pollutant emissions standards in the industry; (ii) implementing stringent guidelines of procedures for operating in our laboratory facilities, covering solid waste disposal, wastewater and exhaust gas treatment, and management of chemicals that are hazardous, flammable, explosive and highly toxic; and (iii) conducting periodic environmental assessments on exhaust gas emissions, hazardous waste disposal, and wastewater emissions.

During the Track Record Period and up to the Latest Practicable Date, we had not received any fines or penalties associated with the breach of any environmental laws or regulations. To the best knowledge and belief of our Directors, we are not subject to material environmental liability risk and will not incur material compliance costs in the future.

We continuously monitor and strive to reduce hazardous waste production. The wastewater and exhaust gas generated in our R&D process are pretreated by us before being discharged. Our solid waste discharge levels related to research and testing in 2024, 2025 and the three months ended March 31, 2026 was 5.3 tons, 5.4 tons and 0.8 tons, respectively. For hazardous wastes (including medical waste) generated from R&D activities, we engage qualified third parties for disposal. In 2024, 2025 and the three months ended March 31, 2026, we incurred costs of RMB63.9 thousand, RMB45.1 thousand and RMB5.4 thousand, respectively, for waste disposal. These third-party service providers operate in accordance with relevant governmental laws and regulations. We are committed to ongoing efforts to protect the ecological environment during our business operations, aiming to minimize adverse environmental impacts.

In addition, we have implemented several measures to monitor our CROs and CDMOs in their handling, use, storage, treatment, and disposal of hazardous materials and waste. Our responsible department conducts regular oversight of these external suppliers, which includes verifying their qualifications regarding hazardous waste management. Furthermore, we require suppliers to provide comprehensive hazardous waste management protocols to ensure compliance with regulatory standards. To enhance accountability and traceability, suppliers should also furnish detailed records of hazardous waste treatment and transportation, allowing us to maintain a thorough oversight of waste management processes across our supply chain.

Resource Consumption and Emissions

In pursuit of our sustainable development objectives, we rigorously oversee our environmental protection performance across various domains, including resource efficiency and energy consumption. We closely monitor our electricity and water consumption levels and actively implement strategies to enhance energy efficiency and promote water conservation. In aggregate,

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our electricity consumption levels were approximately 0.22 million kWh, 0.27 million kWh and 0.07 million kWh, respectively, in 2024, 2025 and the three months ended March 31, 2026. Our water consumption levels were 586.1 tons, 811.0 tons and 141.9 tons, respectively, in 2024, 2025 and the three months ended March 31, 2026.

For greenhouse gas emission, during the Track Record Period, we primarily measured Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. The table below sets forth our greenhouse gas emissions, including detailed breakdown of Scope 3 emissions that are material and applicable to us, for the Track Record Period:

Greenhouse gas emissions	Unit	For the year ended December 31,		As of March 31, 2026
		2024	2025	
Scope 1 Emissions ⁽¹⁾	tCO ₂ e	1.68	3.66	0.01
Scope 2 Emissions ⁽²⁾	tCO ₂ e	127.34	153.62	38.08
Scope 3 emissions				
Category 1 – Purchased goods and services ⁽³⁾	tCO ₂ e	541.97	757.88	292.65
Category 2 – Capital goods ⁽³⁾	tCO ₂ e	37.98	8.65	0.49
Category 3 – Fuel- and energy-related activity not included in scope 1 or scope 2 ⁽⁴⁾	tCO ₂ e	4.03	4.87	1.21
Category 5 – Waste generated in operations ⁽⁵⁾	tCO ₂ e	0.0072	0.0031	0.0024
Category 6 – Business travel ⁽⁶⁾	tCO ₂ e	66.89	55.66	17.09
Category 7 – Employee commuting ⁽⁷⁾	tCO ₂ e	21.82	27.96	7.08
Category 8 – Upstream leased assets ⁽⁸⁾	tCO ₂ e	92.05	129.96	32.47
Total GHG Emissions (Scope 1 and 2)	tCO ₂ e	129.02	157.28	38.08
Total GHG Emissions (Scope 1 and 2) Intensity	tCO ₂ e/employee	1.50	1.60	0.39

Notes:

- (1) Scope 1 emissions refer to direct GHG emissions primarily from the direct energy consumed in our operations. They include vehicle fuel consumption and fugitive emissions from fire extinguishers.
- (2) Scope 2 emission refers to indirect GHG emissions mainly from purchased electricity consumption during our operation processes.
- (3) Includes the purchased items that accounted for 5% or above of the total purchase amount only.
- (4) Includes the transmission and distribution losses of purchased electricity consumption only.
- (5) Includes the paper waste disposed of in the landfill only.
- (6) Includes emissions from flight travel only.
- (7) Includes employees at Manager level or above only.
- (8) Includes electricity consumption from the leased assets only.

For illustrative purposes only, the table below presents a comparison of our Group’s ESG metrics for the year ended December 31, 2025, against those of peer companies for their respective year ended December 31, 2025, based on publicly available information.

ESG Metrics	Unit	Our Group			Industry Peers ⁽¹⁾		
		For the year ended December 31,		As of March 31, 2026	Lowest	Highest	Average
		2024	2025				
Hazardous Waste Intensity	ton/employee kWh in thousands/	0.06	0.06	0.01	0.05	0.18	0.11
Electricity Intensity	employee	2.56	2.71	0.67	8.14	31.46	19.34

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ESG Metrics	Unit	Our Group			Industry Peers ⁽¹⁾		
		For the year ended December 31,		As of March 31, 2026	Lowest	Highest	Average
		2024	2025				
Water Intensity	m ³ /employee	6.82	8.28	1.45	28.72	234.87	108.54
Greenhouse Gas Emission Intensity (Scope 1 & Scope 2).	tCO ₂ e/ employee	1.50	1.60	0.39	5.68	18.58	11.85

Note:

- (1) The ESG metrics of industry peer companies were derived from publicly available information. Industry peer companies were selected from the listed biopharmaceutical companies on the Stock Exchange with pharmaceutical production activities primarily reliant on collaborations with CDMOs and/or CROs.

Aligned with the ESG evaluation system standards in China and industry best practices, we are committed to mitigating or minimizing the adverse environmental impacts resulting from our operations. With the expansion of our business and anticipated commercialization of our drug candidates, we expect our resource consumption to increase. However, we have developed, and will continue to implement, environmental management plans aimed at continually enhancing our energy consumption efficiency and ensuring compliance with all governmental environmental regulations and requirements. Our current objective is to establish a comprehensive ESG governance mechanism and system for our Company. The historical energy consumption data from the Track Record Period will serve as a foundational basis for devising pertinent energy reduction strategies and establishing suitable reduction targets for the future.

Our operations are currently limited to R&D activities with no production involved. Recognizing that future business expansion into manufacturing could lead to increased hazardous waste generation, we have established a target to ensure full compliance with applicable PRC laws and regulations related to hazardous waste management. For water and electricity, we have established a target to maintain consumption intensity (measured per employee) within 20% of the average intensity recorded during the Track Record Period over the next five years. This intensity-based approach reflects our commitment to responsible resource management amid anticipated business growth. To achieve our goal of sustainable development, we have already implemented the following environmentally friendly measures:

- promote environmental awareness among all staff by encouraging them to minimize paper waste and conserve water and electricity resources, such as placing water-saving or power-saving signs in prominent areas to capture attention and foster our employees’ commitment to environment protection;
- encouraging our employees to avoid printing hard copies and requiring double-sided printing whenever possible;
- regularly conducting inspections of our laboratory equipment to check for abnormal conditions, and make prompt report to avoid potential damages;
- carrying out manual check after shift to eliminate unnecessary lighting; and
- promoting recycling schemes, seeking alternative ways of disposing of and reducing waste in environmental-friendly ways.

ESG Risk Identification

Our Company recognizes the importance of proactively identifying and mitigating ESG risks. The key ESG risks we face are potential disruptions to the supply chain management, failure to protect our intellectual properties, and product quality control risk. See “Risk Factors” for a detailed discussion on the overall risks that the Company faces.

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Disruptions to the supply chain management have been identified as a principal ESG risk area for our organization in the short term (less than 5 years). To effectively monitor and evaluate this risk, we have established key performance indicators that include assessing contract manufacturers’ product quality compliance rates and production output, as well as tracking the diversity and number of suppliers within our network. In response, we have implemented proactive mitigation measures aimed at strengthening our third-party relationship management framework. This involves enhancing oversight of our suppliers and business partners to ensure alignment with our ESG standards and operational requirements. Additionally, we are strategically expanding our contractor base to reduce dependency on individual suppliers, thereby improving supply chain resilience and minimizing potential disruptions to our operations.

Potential failure to protect our intellectual properties is also recognized as a key ESG risk across the short term (less than 5 years), medium term (5 to 10 years), and long term (greater than 10 years). To assess the impact of this risk, we have instituted a policy to develop a comprehensive patent registry. Our current and planned mitigation strategies encompass filing patent applications in various jurisdictions, leveraging trade secrets, and utilizing regulatory protections for pharmaceuticals. Our goal is to safeguard candidates and technologies of significant commercial value, with a particular focus on our core and major products for which we are actively seeking patent protection.

Product quality control is another significant ESG risk identified across the short term (less than 5 years), medium term (5 to 10 years), and long term (greater than 10 years). We assess this risk by evaluating the quality and reliability of our production processes through metrics like the frequency of product recalls. See “Business – Quality Control” for details regarding our mitigating efforts on this risk.

Climate Change

We believe that we are not susceptible to climate change. Moreover, we consider that potential changes to the regulations in the PRC regarding climate change will not adversely impact our business operations. We will continue to pay attention to risks regarding climate change and formulate emergency plans to safeguard us from climate change and extreme weather conditions, such as hurricanes and rainstorms. As of the Latest Practicable Date, we have not experienced any material impact on our business operations or financial performance as a result of climate change or extreme weather conditions.

Preclinical and Clinical Study

We have implemented a series of measures to bolster laboratory and clinical trial safety while ensuring compliance with relevant regulations. These measures include the establishment and enforcement of a full set of internal policies and procedures, starting with: (i) formulating a comprehensive R&D project management policy to oversee the entire lifecycle process of drug development, encompassing preclinical studies and clinical trials; (ii) implementing guidelines pertaining to employee health and safety, environmental protection, and operational safety within laboratory settings; (iii) monitoring adverse events associated with drugs and drug candidates during clinical trials and maintaining accurate records of these events for each trial; (iv) conducting analysis of collected adverse events and assessing associated safety risks; (v) reporting serious adverse events and potential safety risks; and (vi) facilitating communication with relevant employees, CROs and SMOs to ensure enforcement of clinical trial protocols.

The rights and safety of trial participants are our top priority in clinical research and development. We strictly adhere to applicable laws, regulations, and industry standards, such as the Good Clinical Practice for Drug Trials (GCP). Before initiating a clinical trial, our Company conducts a risk-benefit assessment, establishes safety endpoints, and implements risk control measures, ensuring that all studies receive approval from an ethics committee. Participants should provide written informed consent after fully understanding the trial’s purpose and risks. If new risks or significant changes arise, re-consent will be required. Throughout the trial, we continuously

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collect and assess adverse events through medical monitoring and onsite or remote inspections. We submit safety reports and updates as required, and if necessary, we revise protocols or enhance monitoring to effectively reduce safety risks for participants.

Workplace Safety

We are dedicated to ensuring a safe working environment for our employees. We firmly believe that a safe and healthy workplace is not only crucial for the well-being of our employees but also indispensable for the sustainability of our business. We have implemented and upheld a comprehensive set of rules, standard operating procedures, and measures to ensure the health and safety of our employees. Our safety guidelines cover a range of areas including identifying potential hazards, safe practices, accident prevention, and procedures for reporting accidents. We ensure that our employees continually acknowledge their understanding of safety protocols as needed. Specifically, we:

- have established guidelines governing laboratory procedures and the handling, use, storage, treatment, and disposal of hazardous materials and wastes;
- assess occupational health hazards and safety risks at scheduled intervals, and implement targeted protective measures;
- install appropriate safety and occupational protection facilities in the workplace, provide employees with necessary personal protective equipment, and supervise their proper usage;
- provide regular safety awareness training to our employees, including sessions on fire control and safety;
- maintain health records for all employees and provide annual health examination benefits. Employees engaged in work involving occupational hazards undergo occupational health checks before, during and after employment, in compliance with relevant occupational health requirements in Hangzhou; and
- conduct regular fire safety inspections, ensure the maintenance of firefighting equipment, and organize routine emergency drills to prepare employees for emergency situations.

Further, we are dedicated to ensuring work safety in the management of hazardous waste by implementing a comprehensive set of policies aligned with relevant regulations. We provide thorough training for employees who handle hazardous materials, ensuring they are well-equipped with the necessary knowledge and skills for safe practices. Personal protective equipment (PPE) is mandatory for all personnel, enhancing their safety during operations. We have established clear incident reporting protocols to address environmental risks promptly and effective emergency preparedness procedures to manage any pollution-related incidents. We strictly adhere to national standards in hazardous waste storage, preventing the mixing of incompatible materials, and follow regulations during transportation to minimize contamination risks. Regular inspections are conducted to maintain safety throughout our operations, including monitoring for leaks and ensuring fire exits are clear.

Corporate Culture and Employee Well-being

Within our Company, we are steadfast in our commitment to fostering an open and inclusive workplace that champions equality. We adhere to a corporate policy of hiring employees based solely on their merits, offering equal opportunities regardless of gender, age, race, religion, or any other social or personal characteristics. As of March 31, 2026, approximately 66% of our total employees were female. Our employee management system operates on principles of fairness and transparency, and we actively work to enhance gender and age diversity within our workforce.

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Our success is highly dependent on the expertise, leadership and vision of key research and development personnel. To effectively retain key management and technical staff, we have implemented a comprehensive strategy that emphasizes competitive compensation, supportive benefits, structured promotion pathways, and professional development opportunities. We offer market-aligned salaries to attract and retain essential personnel in both management and technical positions. Additionally, we provide restricted stock options as part of a long-term incentive program to encourage employee loyalty and commitment. Our benefits package includes birthday recognition, holiday gifts, and annual health check-ups, promoting a culture of appreciation and care. We have established a systematic promotion framework that enables employees from various functions to navigate clear advancement paths in their careers. Furthermore, our commitment to employee development is reflected in the diverse training opportunities provided, both internally and externally.

To mitigate the impact of the potential departure of key management and technical personnel, we periodically assess key-person dependencies to evaluate the extent to which operations rely on specific individuals. Where material reliance is identified, we would develop contingency plans and succession strategies to ensure continuity and minimize operational disruption. We are committed to strengthening institutional systems, processes, and documentation on an ongoing basis to reduce reliance on any single employee and to enhance organizational resilience.

PROPERTIES

We are headquartered in Hangzhou, China. We currently do not own any land use rights or properties. As of the Latest Practicable Date, we lease seven properties in Hangzhou, Beijing, Wuhan and Shanghai for R&D and office use and as employee dormitories, with an aggregate gross floor area of approximately 3,603.46 square meters and one property in the U.S., with a gross floor area of approximately 60 square feet.

Pursuant to the applicable PRC laws and regulations, both lessors and lessees must register lease agreements with the relevant authorities and obtain property leasing filing certificates. As of the Latest Practicable Date, four of seven leased properties have not been registered and filed with the competent PRC government authorities as required by applicable PRC laws and regulations, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. As advised by our PRC Legal Advisor, failure to register an executed lease agreement will not affect its validity. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC governmental authorities require us to rectify it and we fail to do so within the prescribed time period, which we do not believe would have a material adverse impact on our operation. Based on the number of these properties and the maximum penalty we may be subject to for these unregistered leases and given that we have not received any governmental penalty or rectification notice regarding such non-registration during the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, we believe the likelihood of penalties being imposed on our Group is remote, and that such non-registration would not have a material impact on our operations and financial performance. See “Risk Factors — Risks Relating to Our Operations — We are subject to risks associated with our leased properties.” However, we will consult with our legal advisors and aim to address the issue appropriately during the lease negotiation process in the future. We have enhanced internal control measures with respect to our leased properties, including, among others, requiring the relevant employees to check the title certificates and other relevant documents evidencing the rights of lessors to lease the properties, reviewing the compliance of leased properties with applicable laws and regulations, requiring the relevant employees to conduct the lease registration and filing in a timely manner and recording detailed information of the lease agreements. Going forward, we will continue to liaise with the lessors and make efforts to rectify such non-compliance, but it is not expected that we may fully rectify the non-compliance before [REDACTED]. As of the Latest Practicable Date, we are not subject to any penalties arising from the non-registration of the lease agreements.

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AWARDS AND RECOGNITION

The table below sets forth the major awards and recognition we have received as of the Latest Practicable Date:

Year of Grant	Award/Recognition	Issuing Authority
2025	2025 Hangzhou Headquarters Enterprise (2025年杭州市總部企業)	Hangzhou Municipal Development and Reform Commission (杭州市發展和改革委員會)
2025	High and New Technology Enterprises (高新技術企業)	Economy and Information Technology Department of Zhejiang Province (浙江省經濟和信息化廳), Department of Finance of Zhejiang Province (浙江省財政廳), Zhejiang Provincial Tax Service, State Taxation Administration (國家稅務總局浙江省稅務局)
2024	Provincial Enterprise Institute of Zhejiang Province (浙江省企業研究院)	Economy and Information Technology Department of Zhejiang Province (浙江省經濟和信息化廳)
2024	2024 Hangzhou unicorn Enterprise and Quasi-unicorn Enterprise (2024杭州市獨角獸企業及准獨角獸企業)	Hangzhou Entrepreneurship & Venture Association (杭州市創業投資協會) and Weilian.com (微鏈)
2024	Bronze Award in the Growth Group of the 13rd National Innovation and Entrepreneurship Competition Zhejiang Division and the 11th Zhejiang “Torch Cup” Innovation and Entrepreneurship Competition (第13屆中國創新創業大賽(浙江賽區)暨第11屆浙江省「火炬杯」創新創業大賽成長組銅獎)	National Innovation and Entrepreneurship Competition Zhejiang Division Organizing Committee (中國創新創業大賽浙江賽區組委會)
2020	Key Investment Project in Qiantang Area of Hangzhou Coordinated Innovation Zone, China (Zhejiang) Pilot Free Trade Zone (中國(浙江)自貿試驗區杭州聯動創新區錢塘片區「重點落戶項目」)	Administrative Committee of Hangzhou Qiantang New District (杭州市錢塘新區管委會)

LICENSES, PERMITS AND APPROVALS

As of the date of this document, as advised by our PRC Legal Advisor, we have obtained all material licenses and permits required for our business operations in the PRC, and such business licenses had remained in full effect. For more details regarding the laws and regulations to which we are subject, see “Regulatory Overview” in this document. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable. During the Track Record Period and up to the Latest Practicable Date, no material unexpected or adverse changes that could adversely affect the maintenance and renewal of our material licenses, permits, approvals and certificates had occurred since the dates of issue of the relevant regulatory approvals for our business operation.

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LEGAL PROCEEDING AND COMPLIANCE

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material claims, disputes, litigations, arbitrations, or other legal proceedings. During the same period, we were not involved in any non-compliance incidents which would, individually or in the aggregate, have a material adverse effect on our business as a whole.

We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. For risks and uncertainties relating thereto, see “Risk Factors — Risks Relating to Government Regulations.”

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining risk management and internal control systems comprised of policies and procedures tailored to our business operations. Our dedication lies in the continual enhancement of these systems to ensure their effectiveness.

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of the Chinese and global biopharmaceuticals markets, our ability to develop, manufacture and commercialize our drug candidates, and our ability to compete with other biopharmaceutical companies. See “Risk Factors” for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to credit and liquidity risks that arise in the normal course of our business. See “Financial Information — Market Risk Disclosure” for a discussion of these market risks.

We have implemented a comprehensive set of risk management policies that establish a framework for identifying, assessing, evaluating, and continuously monitoring key risks aligned with our strategic objectives. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors. Our Directors supervise the implementation of our risk management policies.

The following key principles outline our Group’s approach to risk management and internal control we plan to implement:

- Our audit committee will oversee, evaluate, and enhance the internal control system, which includes: (i) reviewing internal control and risk management policies and providing suggestions for improvement; (ii) engaging in discussions with management to evaluate the effectiveness of internal control and risk management policies, ensuring that management fulfills its duties in formulating effective policies; (iii) analyzing material findings related to internal control and assessing the measures taken by management; and (iv) supervising potential misconduct by employees regarding internal control and establishing procedures to investigate and address complaints related to internal control within the Company.
- Our Board will be responsible for (i) formulating our risk management policy and reviewing major risk management issues of our Company; (ii) providing guidance on our risk management approach to the relevant teams in our Company; (iii) reviewing the relevant teams’ reporting on key risks and providing feedbacks; and (iv) supervising the implementation of our risk management measures by the relevant teams.
- The relevant departments within our Company bear the responsibility of implementing our risk management policy and executing day-to-day risk management practices. To standardize risk management procedures across our organization and ensure a consistent level of transparency and risk management performance, these teams will: (i) collect information regarding the risks associated with their respective operations or functions; (ii) conduct comprehensive risk assessments, encompassing the identification, prioritization, measurement, and categorization of all key risks that could impact their objectives; (iii) prepare an annual risk management report for review by our CEO; (iv) continuously monitor key risks pertinent to their operations or functions; (v) implement appropriate risk responses when necessary; and (vi) develop and maintain a suitable mechanism to facilitate the application of our risk management framework.

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We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. We have engaged an internal control consultant (the “**Internal Control Consultant**”) to perform certain agreed-upon procedures (the “**Internal Control Review**”) in connection with the internal control during the period from May 1, 2024 to April 30, 2025 of our Company and our major operating subsidiaries in certain aspects, including entity-level controls, financial reporting and disclosure controls, human resources and payroll management, general controls of IT system and other procedures of our operations. The Internal Control Consultant performed the Internal Control Review in September 2025. Based on the Internal Control Review, the only material internal control deficiency identified was that we had not established a Board or board committees in accordance with the Listing Rules. We have improved the governance structure and established the *Rules of Procedure of the Board of Directors* accordingly. Specifically, we have (i) formed a Board in accordance with the Listing Rules, consisting of seven Directors, including two executive directors, two non-executive directors and three Independent non-executive directors; (ii) formulated *The Rules of Procedure of the Board of Directors*, which clearly stipulates the composition, responsibilities and authorities of the Board; (iii) formulated *Diversity Policy of Board of Directors*, and the composition of the Board members will fully consider the principle of diversity, including but not limited to gender, age, cultural and educational background and professional experience; and (iv) established board committees including ESG Committee, Audit Committee, Nomination Committee, Remuneration and Assessment Committee in accordance with the Listing Rules and formulated relevant regulations, which stipulate the purpose of establishment, meeting agenda, attendance requirements, reporting procedures, meeting rules, scope of responsibilities, composition of members, experience, etc. The Internal Control Consultant performed a follow-up review with regard to those actions taken by us and there are no further material findings identified in the process of the follow up review. As of the Latest Practicable Date, there are no material outstanding issues relating to our Company’s internal control.

During the Track Record Period, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as related party transaction, risk management, environmental protection and occupational health and safety. For more information, see “— Social, Health, Work Safety and Environmental Matters” in this section. We provide periodic training about these measures and procedures to our employees as part of our employee training program. Our internal audit department conducts audit field work to monitor the implementation of our internal control policies, reports any weaknesses identified to our management and audit committee, and follows up on the rectification actions.
- We provide various training programs to keep our employees updated on relevant laws, regulations, and policies. Our new employees are required to attend compliance training programs soon after on-boarding and must pass tests which examine their understanding of the compliance issues addressed by the training programs. Our employees are also required to regularly attend on-site and online training sessions to keep them informed of recent updates in the relevant laws and regulations.
- Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our legal advisors, will also periodically review our compliance status with all relevant laws and regulations after the [REDACTED].
- We have established an audit committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect to financial reporting as well as oversees internal control procedures of our Group.
- We maintain strict anti-corruption policies and we believe we will therefore be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the biopharmaceutical industry.

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The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountants’ Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with the HKFRS Accounting Standards, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to the future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a clinical-stage biotechnology company committed to developing small molecule therapies for autoimmune and neurodegenerative diseases. Our therapeutic approach is anchored by a proprietary kinase chemistry platform that enables the design of highly selective and/or brain-penetrant kinase inhibitors. As of the Latest Practicable Date, we have built a differentiated asset portfolio that spans diverse autoimmune and neurodegenerative indications, and comprises four clinical-stage candidates and multiple preclinical candidates.

We currently have no products approved for commercial sales and have not generated any revenue from product sales during the Track Record Period. In 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred loss for the year/period of RMB226.4 million, RMB312.5 million, RMB99.7 million and RMB73.1 million, respectively. Such losses primarily resulted from our operating expenses, which equal to the sum of research and development expenses and administrative expenses, as well as changes in fair value of financial instruments issued to investors. We recorded adjusted net loss (non-HKFRS measure) of RMB131.9 million, RMB138.4 million, RMB72.5 million and RMB41.7 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We define adjusted net loss (non-HKFRS measure) as loss for the year/period adjusted by adding back share-based payment expenses, changes in fair value of financial instruments issued to investors and [REDACTED]. For more information related to our adjusted net loss (non-HKFRS measure), see “— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Non-HKFRS Measure.”

We expect to incur significant expenses for at least the next several years as we continue to advance our clinical development and pre-clinical research plans, and to prepare for the commercialization of our Core Product. Subsequent to the [REDACTED], our financial performance may fluctuate from period to period due to, among other factors, the development status of our drug candidates, regulatory approval timeline, and commercialization of our drug candidates after approval.

BASIS OF PREPARATION

Our historical financial information has been prepared based on the accounting policies set out in Note 2 to the Accountants’ Report contained in the Appendix I to this document which conform with all applicable HKFRS Accounting Standards, which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (the

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“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The HKICPA has issued a number of new and revised HKFRS Accounting Standards. For the purpose of preparing this historical financial information, our Group has adopted all applicable new and revised HKFRS Accounting Standards during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The historical financial information are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Ability to Successfully Develop and Commercialize Our Drug Candidates

Our business and results of operations depend on our ability to successfully advance our drug development programs, demonstrate favorable safety and efficacy clinical trial results, obtain the requisite regulatory approvals, secure adequate manufacturing capacity, and commercialize our products in targeted markets as planned. We have built a differentiated pipeline across diverse autoimmune and neurodegenerative indications, including four clinical-stage candidates, namely TLL-018, our Core Product, HL-300, TLL-041 and HL-400, and three selected preclinical candidates, including HL-450, TLL-009 and HL-500. See “Business — Our Pipeline” for more information on the development status of our drug candidates.

We have not generated any revenue from the product sales since inception. Once our drug candidates are commercialized, our business and results of operations will be driven by the market acceptance and supply of our commercialized products. To successfully develop and launch our drug candidates, we intend to continue advancing the R&D and commercialization of our Core Product, TLL-018, at a rapid pace, and the preclinical and clinical development of our pipeline assets, and strengthening our kinase chemistry platform to continuously support our R&D activities. For more details, see “Business — Our Strategies.”

Our Operating Expenses Structure

Our results of operations are significantly affected by our operating expense structure, which primarily consists of research and development expenses and administrative expenses.

In 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB127.3 million, RMB150.8 million, RMB24.8 million and RMB37.1 million, respectively. Our research and development expenses increased during the Track Record Period, driven by the accelerated progress of our drug candidates toward clinical development, especially the advancements of our Core Product, TLL-018. In 2024, 2025 and the three months ended March 31, 2025 and 2026, research and development expenses incurred for our Core Product, TLL-018, were RMB97.9 million, RMB110.7 million, RMB18.3 million and RMB22.0 million, respectively, accounting for 76.9%, 73.4%, 73.9% and 59.4% of our total research and development expenses for the corresponding periods. We expect our research and development expenses to continue to increase for the foreseeable future as we advance our drug candidates to maximize their clinical and commercial potential, as well as to explore and advance the clinical development of our drug candidates for the treatment of additional indications.

During the Track Record Period, our administrative expenses primarily consisted of staff costs, professional service fees, office, travelling and business-related expenses, depreciation and amortization, equity-settled share-based payments and others. Our administrative expenses amounted to RMB13.6 million, RMB33.6 million, RMB3.3 million and RMB7.7 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our administrative expenses increased during the Track Record Period, primarily as our business grew and team expanded in relation to the development of our drug candidates.

We expect our expense structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials of our drug candidates continue to progress and as we gradually bring our pipeline products to commercialization, we expect to incur additional costs in relation to various aspects other than research and development, such as manufacturing, regulatory affairs, and sales and marketing efforts, among other things. Additionally, we plan to expand internal manufacturing capabilities in tandem, including the construction of a dedicated formulation

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workshop and other supporting facilities, to meet anticipated demand and enhance supply security. We also anticipate increasing legal, compliance, accounting, insurance, and [REDACTED] and public relations expenses associated with being a [REDACTED] company in Hong Kong.

Our Existing and Future License and Collaboration Arrangements

Our results of operations have been, and may continue to be, affected by our strategic collaboration and licensing arrangements with business partners. In March 2023, we established a development and license agreement with Biohaven for the exclusive rights to research, develop, manufacture and commercialize our TLL-041, for the treatment of diseases, disorders or conditions in humans in all territories worldwide excluding mainland China, Hong Kong, Macau and Taiwan. In consideration of such grant of license, we are entitled to significant upfront and milestone payments, along with tiered royalties on sales performance. As of the Latest Practicable Date, we have received an upfront payment of US\$10 million in cash and 721,136 common shares issued by Biohaven. In August 2025, we received the first milestone payment of US\$15 million in connection with Biohaven’s initiation of a Phase II/III registrational trial of TLL-041/BHV-8000 with early Parkinson’s disease. See “Business — Our Material Collaboration and Licensing Arrangements” for details.

Building on the success of our existing collaborations, we are actively exploring new partnership opportunities for our pipeline assets around the globe. We implement a dual-end strategy, underpinned by domestic in-house innovation with full ownership, as well as international licensing collaborations. We plan to continue to deepen our global strategy and accelerate our international expansion through diversified, value accretive partnerships leveraging our strong capabilities in business development. For details, see “Business — Our Strategies — Expand Global Footprint and Unlock Pipeline Value through Strategic Partnerships.” The timing and amounts of upfront payments, milestone payments, royalties and other considerations in relation to our existing and future collaboration and licensing arrangements could have an impact on our results of operations.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing and payments received under our licensing and collaboration arrangements. Going forward, in the event of successful commercialization of one or more of our drug candidates, we expect to primarily fund our operations with cash and cash equivalents, payments under our licensing and collaboration agreements, payments received from existing and potential collaboration arrangements, as well as funds generated from sales of our commercialized drug products. However, with the continuing expansion of our business and product pipeline, we may require further funding through public or private offerings, debt financing, or other funding sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. We have not changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or estimates. Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. When reviewing our consolidated financial statements, you should consider (i) our material accounting policies, and (ii) the judgments and other uncertainties affecting the application of such policies.

We set forth below those accounting policies that we believe are material to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. For more details, see Notes 2 and 3 to the Accountants’ Report set out in Appendix I to this document.

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Material Accounting Policies

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties.

Revenue from License and Collaboration Agreements

We generate revenue from license and collaboration arrangements under which we grant intellectual property rights to customers. Consideration typically includes upfront payments, development and sales-based milestone payments, and royalties. The upfront fees are recognized as revenue when customers obtain rights to access the technology. Development milestone payments and sales-based milestones payment are recognized as revenue throughout the license period when it is highly probable that there will not be a subsequent reversal of a significant amount of revenue. Sales-based royalties are not included in the transaction price until customers make the sales.

Financial Instruments Issued to Investors with Preferred Rights

A contract that contains an obligation to purchase our equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if our obligation to purchase is conditional on the counterparty exercising a right to redeem, the financial instruments issued to investors with preferred rights are recognized as a financial liability initially at the present value of the redemption amount. Subsequently, any changes in the carrying amount of the financial liabilities are recorded in “changes in the fair value of financial instruments issued to investors” in profit or loss. We derecognize financial liabilities when, and only when, our obligations are discharged, canceled or have expired. The carrying amount of the financial instruments derecognized was credited into equity.

Significant Accounting Judgements and Estimates

Revenue Recognition

Identification of Performance Obligations under Contracts

A good or service that is promised to a customer is distinct if: (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer; and (b) the entity’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. In assessing whether a license is distinct from the other promises, we consider factors such as the research, development, manufacturing and commercialization capabilities of the customer and the availability of the associated expertise in the general marketplace. In addition, we consider whether the customer can benefit from a license for its intended purpose without the receipt of the remaining promises by considering whether the value of the license is dependent on the unsatisfied promises, whether there are other vendors that could provide the remaining promises, and whether it is separately identifiable from the remaining promises.

Estimation of Variable Consideration

We determine the amount of milestone payments by using either the expected value or the most likely amount based on which method better predicts the amount of consideration to which it will be entitled. We assess whether the milestones are considered highly probable of being achieved and estimate the amount to be included in the transaction price using the most likely amount method. For sales-based royalties, we recognize revenue when the occurrence of the subsequent sales.

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Research and Development expenses

Development expenses incurred on our pipelines are capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and our ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalization. All development expenses were expensed when incurred during the Track Record Period.

Fair Value Measurement

Fair values are categorized into the three-level hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

During the Track Record Period, we had certain financial liabilities categorized within Level 3 of fair value measurement. We have a team performing valuations for the financial instruments categorized into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer. Our Directors believe that the estimated fair values resulting from the valuation technique are reasonable, and that they were the most appropriate values at the end of each of the reporting period.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Year Ended December 31,		Three Months Ended March 31,	
	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Revenue	–	107,379	–	–
Cost of sales	–	–	–	–
Gross profit	–	107,379	–	–
Research and development expenses	(127,288)	(150,786)	(24,827)	(37,051)
Administrative expenses	(13,569)	(33,589)	(3,278)	(7,721)
Other net income/(loss)	6,366	20,351	10,090	(981)
Finance costs	(120)	(94)	(14)	(15)

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	Year Ended December 31,		Three Months Ended March 31,	
	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Changes in fair value of financial instruments issued to investors	(93,962)	(154,879)	(27,023)	(27,765)
Changes in fair value of other financial instruments	3,320	(100,961)	(54,642)	412
Loss before taxation	(225,253)	(312,579)	(99,694)	(73,121)
Income tax	(1,118)	94	—	—
Loss for the year/period attributable to equity shareholders of our Company	(226,371)	(312,485)	(99,694)	(73,121)
Other comprehensive income for the year/period (net of tax)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of a foreign subsidiary, net of nil tax . . .	71	(148)	(14)	(77)
Total comprehensive income for the year/period attributable to equity shareholders of our Company	(226,300)	(312,633)	(99,708)	(73,198)

Non-HKFRS Measure

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

We define adjusted net loss (non-HKFRS measure) as loss for the year/period adjusted by adding back (i) equity-settled share-based payments, (ii) changes in fair value of financial instruments issued to investors, and (iii) [REDACTED]. Equity-settled share-based payments represent expenses arising from our grant of share options to eligible individuals, which are non-cash in nature. Changes in fair value of instruments issued to investors represented losses from changes in fair value of instruments with special rights we issued to our pre-[REDACTED] investors in previous financings. These instruments with special rights we issued to our pre-[REDACTED] investors will be transferred to equity upon the [REDACTED], and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the [REDACTED]. [REDACTED] are the expenses arising from activities in relation to the proposed [REDACTED]. The adjustments were consistently made during the Track Record Period. The

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following table sets forth the reconciliations of our adjusted net loss (non-HKFRS measure) for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026 to the nearest measure prepared in accordance with HKFRS Accounting Standards:

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

Revenue

During the Track Record Period, our revenue were generated from license and collaboration agreements with Biohaven, representing milestone payment.

Cost of Sales

In 2024, 2025 and the three months ended March 31, 2025 and 2026, our cost of sales was nil, nil, nil and nil, respectively.

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB107.4 million in 2025, and our gross profit margin was 100.0% for 2025. As we recorded revenue and cost of sales of nil, nil and nil in 2024, the three months ended March 31, 2025 and 2026, we recorded gross profit of nil, nil and nil in the corresponding periods.

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) clinical trial expenses, (ii) preclinical expenses, (iii) staff costs, (iv) depreciation and amortization, (v) equity-settled share-based payments, and (vi) others which mainly include travelling expenses and meeting expenses. The following table sets forth a breakdown of our research and development expenses in absolute amounts and as percentages of the total research and development expenses for the periods indicated:

	Year Ended December 31,				Three Months Ended March 31,			
	2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000) (unaudited)	%	(RMB'000)	%
Clinical trial expenses	66,006	51.9	87,284	57.9	11,745	47.3	21,486	58.0
Preclinical expenses	26,394	20.7	16,505	10.9	2,205	8.9	3,672	9.9
Staff costs	23,600	18.5	33,957	22.5	8,710	35.1	8,873	23.9
Depreciation and amortization	2,769	2.2	3,528	2.3	780	3.1	655	1.8
Equity-settled share-based payments	279	0.2	2,238	1.5	169	0.7	891	2.4
Others	8,240	6.5	7,274	4.8	1,218	4.9	1,474	4.0
Total	127,288	100.0	150,786	100.0	24,827	100.0	37,051	100.0

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In 2024, 2025 and the three months ended March 31, 2025 and 2026, research and development expenses incurred for our Core Product, TLL-018, were RMB97.9 million, RMB110.7 million, RMB18.3 million and RMB22.0 million, respectively, accounting for 76.9%, 73.4%, 73.9% and 59.4% of our total research and development expenses for the corresponding periods. The decrease in the percentage of research and development expenses incurred for TLL-018 in our total research and development expenses for the three months ended March 31, 2026 was primarily due to an increase in research and development expenses incurred for HL-400 in connection with its Phase I clinical trial in the United States.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) staff costs, (ii) professional service fees, (iii) office, travelling and business-related expenses, (iv) depreciation and amortization, (v) equity-settled share-based payments, and (vi) other miscellaneous expenses. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the periods indicated:

	Year Ended December 31,				Three Months Ended March 31,			
	2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000) (unaudited)	%	(RMB'000)	%
Staff costs	6,120	45.1	8,387	25.0	2,088	63.7	2,423	31.4
Professional service fees	2,635	19.4	19,490	58.0	169	5.2	2,916	37.8
Office, travelling and business-related expenses	3,459	25.5	3,015	9.0	675	20.6	751	9.7
Depreciation and amortization	567	4.2	779	2.3	276	8.4	350	4.5
Equity-settled share-based payments	211	1.6	1,202	3.6	52	1.6	742	9.6
Others	577	4.2	716	2.1	18	0.5	539	7.0
Total	13,569	100.0	33,589	100.0	3,278	100.0	7,721	100.0

Other Net Income/(Loss)

During the Track Record Period, our other income mainly consisted of (i) government grants that we received from the local government authorities to support our research and development activities, (ii) interest income on bank deposits, (iii) net exchange (loss)/gain mainly in relation to the fluctuations in the exchange rate of U.S. dollar against Renminbi, and (iv) others. The following table sets forth a breakdown of our other income for the periods indicated:

	Year Ended December 31,				Three Months Ended March 31,			
	2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000) (unaudited)	%	(RMB'000)	%
Government grants	1,233	19.4	18,262	89.7	8,965	88.9	229	23.3
Interest income on bank deposits	3,704	58.2	7,149	35.1	1,289	12.8	1,838	187.4
Net exchange (loss)/gain	1,421	22.3	(5,037)	(24.8)	(163)	(1.6)	(3,048)	(310.7)
Others	8	0.1	(23)	(0.1)	(1)	(0.0)	—	—
Total	6,366	100.0	20,351	100.0	10,090	100.0	(981)	(100.0)

Finance Costs

During the Track Record Period, our finance costs were in relation to our interest on lease liabilities. During the Track Record Period, our interests on lease liabilities amounted to RMB120 thousand, RMB94 thousand, RMB14 thousand and RMB15 thousand in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

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Changes in Fair Value of Financial Instruments Issued to Investors

During the Track Record Period, 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 pre-[REDACTED] investors in previous financings. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our changes in fair value of financial instruments issued to investors amounted to RMB94.0 million, RMB154.9 million, RMB27.0 million and RMB27.8 million, respectively. These instruments with special rights we issued to our pre-[REDACTED] investors will be transferred to equity upon the [REDACTED], and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the [REDACTED]. For further details, see Note 21 to the Accountants’ Report set out in Appendix I to this document.

Changes in Fair Value 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 changes in fair value of 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.

Income Tax

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate. Our income tax expenses incurred during the Track Record Period were mainly our income tax by our U.S. subsidiary. During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC and U.S. and we are not aware of any outstanding or potential disputes with such tax authorities.

Mainland China

The provision for corporate income tax of our Company in Mainland China is based on the preferential income tax rate of 15% as we are certified as “High and New Technology Enterprise,” and our subsidiary established and operated in the PRC are subject to the PRC corporate income tax at the statutory rate of 25%.

United States

Our subsidiary in the United States was liable to the United States federal income tax at a rate of 21% and the minimum state income tax at the applicable tax rate.

Loss for the Year/Period

As a result of the foregoing, we incurred losses 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.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

Revenue

We recorded revenue of nil and nil in the three months ended March 31, 2025 and 2026, respectively.

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Cost of Sales

We incurred cost of sales of nil and nil in the three months ended March 31, 2025 and 2026, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded gross profit of nil and nil in the three months ended March 31, 2025 and 2026, respectively. Our gross profit margin was nil and nil in the same periods.

Research and Development Expenses

Our research and development expenses increased from RMB24.8 million in the three months ended March 31, 2025 to RMB37.1 million in the three months ended March 31, 2026, primarily due to an increase of RMB9.7 million in clinical trial expenses, resulting from the progression of clinical development of our drug candidates.

Administrative Expenses

Our administrative expenses increased from RMB3.3 million in the three months ended March 31, 2025 to RMB7.7 million in the three months ended March 31, 2026, primarily due to an increase of RMB2.7 million in professional service fees, mainly in relation to our preparation for the proposed [REDACTED].

Other Net Income/(Loss)

We recorded other net income of RMB10.1 million in the three months ended March 31, 2025, while we recorded other net loss of RMB1.0 million in the three months ended March 31, 2026, primarily due to (i) a decrease of RMB8.7 million in government grants, and (ii) a net exchange loss of RMB3.0 million recorded in the three months ended March 31, 2026, which was mainly attributable to fluctuations in the exchange rate between the U.S. dollar and Renminbi.

Finance Costs

Our finance costs remained relatively stable at RMB14 thousand and RMB15 thousand in the three months ended March 31, 2025 and 2026, respectively.

Changes in Fair Value of Financial Instruments Issued to Investors

Our changes in fair value of financial instruments issued to investors remained relatively stable at RMB27.0 million and RMB27.8 million in the three months ended March 31, 2025 and 2026, respectively.

Changes in Fair Value of Other Financial Instruments

We recorded a loss in changes in fair value of other financial instruments of RMB54.6 million in the three months ended March 31, 2025, while we recorded a gain in changes in fair value of other financial instruments of RMB0.4 million in the three months ended March 31, 2026, primarily because we disposed all the shares of Biohaven in December 2025, and the fair value changes recorded in the three months ended March 31, 2026 primarily related to the structured deposits issued by banks.

Income Tax

We recorded income tax of nil and nil in the three months ended March 31, 2025 and 2026, respectively.

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Loss for the Period

As a result of the foregoing, we recorded a loss for the period of RMB99.7 million and RMB73.1 million in the three months ended March 31, 2025 and 2026, respectively.

Years Ended December 31, 2025 Compared to Years Ended December 31, 2024

Revenue

Our revenue increased from nil in 2024 to RMB107.4 million in 2025, primarily due to recognition of a development milestone payment of US\$15 million in connection with Biohaven’s initiation of the Phase II/III registrational trial in early Parkinson’s disease under our out-licensing and collaboration arrangements with Biohaven.

Cost of Sales

We incurred cost of sales of nil and nil in 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of nil and a gross profit margin of nil in 2024, while we recorded a gross profit of RMB107.4 million and a gross profit margin of 100.0% in 2025.

Research and Development Expenses

Our research and development expenses increased from RMB127.3 million in 2024 to RMB150.8 million in 2025, primarily due to an increase of RMB21.3 million in clinical trial expenses, mainly driven by progression of our clinical development of our drug candidates, particularly the Phase III clinical trials of TLL-018.

Administrative Expenses

Our administrative expenses increased from RMB13.6 million in 2024 to RMB33.6 million in 2025, primarily due to an increase of RMB16.9 million in professional service fees, mainly in relation to our preparation for the proposed [REDACTED].

Other Net Income

Our other net income increased from RMB6.4 million in 2024 to RMB20.4 million in 2025, primarily due to an increase of RMB17.0 million in government grants in relation with our research and development activities.

Finance Costs

Our finance costs remained relatively stable at RMB120 thousand in 2024, compared to RMB94 thousand in 2025.

Changes in Fair Value of Financial Instruments Issued to Investors

Our losses in fair value of financial instruments issued to investors increased from RMB94.0 million in 2024 to RMB154.9 million in 2025, primarily related to changes in the valuation of instruments with special rights we issued to our pre-[REDACTED] investors.

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Changes in Fair Value of Other Financial Instruments

We recorded a gain in fair value of other financial instruments of RMB3.3 million in 2024, while we recorded a loss in fair value of other financial instruments of RMB101.0 million in 2025, primarily related to change in the valuation of ordinary shares of Biohaven which we acquired as upfront payment in accordance with out-licensing and collaboration arrangements with Biohaven.

Income Tax

We recorded income tax expenses of RMB1.1 million in 2024, while we recorded income tax credit of RMB94 thousand in 2025.

Loss for the Year

As a result of the foregoing, we recorded a loss for the year of RMB226.4 million and RMB312.5 million in 2024 and 2025, respectively.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)
Non-current assets			
Property, plant and equipment	10,307	8,391	8,008
Right-of-use assets	3,004	1,833	1,512
Intangible assets	91	59	51
Total non-current assets	13,402	10,283	9,571
Current assets			
Prepayments and other receivables	16,411	16,941	17,942
Financial assets at FVPL	164,404	145,055	100,397
Time deposits	–	2,142	–
Cash and cash equivalents	170,183	254,636	255,778
Total current assets	350,998	418,774	374,117
Current liabilities			
Trade and other payables	33,661	60,462	54,768
Lease liabilities	1,167	1,377	1,328
Income tax payables	1,118	–	–
Financial instruments issued to investors	841,762	1,178,641	1,206,406
Total current liabilities	877,708	1,240,480	1,262,502
Net current liabilities	(526,710)	(821,706)	(888,385)
Non-current liabilities			
Lease liabilities	1,341	126	90
Deferred income	15,168	26,570	30,780
Total non-current liabilities	16,509	26,696	30,870
Net liabilities	(529,817)	(838,119)	(909,684)

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Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consisted of vehicle, equipment and machinery, and leasehold improvements. Our property, plant and equipment decreased from RMB10.3 million as of December 31, 2024 to RMB8.4 million as of December 31, 2025 and further to RMB8.0 million as of March 31, 2026, primarily due to a decrease in equipment and machinery, resulting from depreciation of our equipment and machinery.

Right-of-use Assets

During the Track Record Period, our right-of-use assets represent leases of office buildings. Our right-of-use assets remained relatively stable at RMB3.0 million, RMB1.8 million and RMB1.5 million as of December 31, 2024, 2025 and March 31, 2026, respectively.

Impairment Assessment for Non-financial Assets

We assess whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

During the years ended December 31, 2024, 2025 and the three months ended March 31, 2026, we were still in net loss, which was within the expectation of the Directors as we are spending heavily on our research and development activities. We reviewed the internal and external sources of information, and didn’t identify any impairment indications of our non-financial assets. Thus, our management concluded that there was no impairment needed for the non-financial assets as of December 31, 2024, 2025 and March 31, 2026.

Prepayments and Other Receivables

During the Track Record Period, our prepayments and other receivables primarily included (i) prepayments to suppliers, (ii) value-added tax recoverable, resulting from the excess input VAT over output VAT, (iii) others debtors and deposits, such as lease deposits, and (iv) prepaid [REDACTED]. The following table sets forth a breakdown of prepayments and other receivables as of the dates indicated.

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)
Prepayments to suppliers	14,340	6,168	4,490
VAT recoverable	1,249	7,196	9,028
Other debtors and deposits	822	958	1,433
Prepaid [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	16,411	16,941	17,942

Our prepayments and other receivables increased from RMB16.4 million as of December 31, 2024 to RMB16.9 million as of December 31, 2025, primarily due to an increase in VAT recoverable of RMB5.9 million, resulting from the continued growth in our R&D investments and procurement activities, and an increase in prepaid [REDACTED] of RMB[REDACTED], partially offset by a decrease in our prepayments to suppliers of RMB8.2 million, driven by the progress of our R&D projects. Our prepayments and other receivables further increased from RMB16.9 million as of December 31, 2025 to RMB17.9 million as of March 31, 2026, primarily due to an increase in VAT recoverable of RMB1.8 million, which continued to accumulate along with our procurement activities.

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Financial Assets at FVPL

During the Track Record Period, our financial assets at FVPL primarily included (i) equity securities listed in the United States, representing the ordinary shares issued by Biohaven as part of the consideration of the upfront payment under our out-licensing and collaboration arrangements, (ii) negotiable certificate of deposits with banks mainly for the purpose of short-term fund management, and (iii) structured deposits issued by banks. Our financial assets at FVPL decreased from RMB164.4 million as of December 31, 2024 to RMB145.1 million as of December 31, 2025, primarily due to (i) the decrease equity securities listed in the United States as we disposed all the shares of Biohaven in December 2025 and (ii) the decrease in negotiable certificate of deposits with banks due to redemption and transfer upon maturity, partially offset by an increase in structured deposits issued by banks as we purchase the structured deposits in 2025. Our financial assets at FVPL decreased from RMB145.1 million as of December 31, 2025 to RMB100.4 million as of March 31, 2026, primarily due to the redemption of structured deposits issued by banks. For more details, see Note 15 to the Accountants’ Report set out in Appendix I to this document.

During the Track Record Period, as part of our treasury management, we mainly invested in low-risk principal-protected structured deposits to better utilize excess cash when our cash sufficiently covered our ordinary course of business. Such investments were conducted on a prudent basis with controllable risks. The proposed investments were subject to internal financial review and approval by our general manager prior to execution. We have adopted internal policies to further standardize the scope of permitted investments, approval authorities, internal control procedures and risk management requirements. Under such policies, our finance department is responsible for proposing and evaluating potential investment products, and the Board is responsible for reviewing and approving the investment management policies and material investment matters. We limited our purchases to low-risk principal-protected products issued by reputable financial institutions that would not affect our daily operations or business prospects. Upon [REDACTED], any investments in wealth management products or securities, including financial assets at FVPL, will be conducted in strict compliance with the applicable requirements under Chapter 14 of the Listing Rules.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents primarily consisted of our cash on hand and at banks generated from our daily operations as well as the deposit with other financial institutions. Our cash and cash equivalents increased from RMB170.2 million as of December 31, 2024 to RMB254.6 million as of December 31, 2025, primarily due to (i) our disposal of the shares of Biohaven, (ii) the consideration we received from our financing activities, and (iii) the milestone payment we received from out-licensing and collaboration arrangements with Biohaven. Our cash and cash equivalents remained relatively stable at RMB255.8 million as of March 31, 2026.

Trade and Other Payables

During the Track Record Period, our trade and other payables primarily include (i) trade payables, (ii) accrued payroll, (iii) tax payables, and (iv) other payables and accruals. The following table sets forth a breakdown of trade and other payables as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)
Trade payables	25,579	41,417	47,437
Accrued payroll	6,773	9,837	3,838
Tax payables	257	560	148
Other payables and accruals	1,052	8,648	3,345
Total	33,661	60,462	54,768

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Our trade and other payables increased from RMB33.7 million as of December 31, 2024 to RMB60.5 million as of December 31, 2025, primarily due to an increase of RMB15.8 million in trade payables, mainly as we incurred the clinical trial expenses related to our Core Product as of December 31, 2025. Our trade and other payables decreased from RMB60.5 million as of December 31, 2025 to RMB54.8 million as of March 31, 2026, primarily due to a decrease of RMB6.0 million in accrued payroll as the year-end bonuses accrued as of December 31, 2025 were subsequently settled.

The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)
Within 1 year	16,387	32,394	37,565
After 1 year but within 2 years	9,192	—	—
After 2 years but within 5 years	—	9,023	9,872
Total	25,579	41,417	47,437

As of April 30, 2026, RMB5.4 million, representing 11.5% of our trade payables as of March 31, 2026, had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund the research and development of our Core Product and other pipeline programs. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity financing and payments received under our collaboration and licensing arrangement. Our management closely monitors the use of cash and cash equivalents and strives to maintain healthy liquidity for our operations. Going forward, we believe our liquidity requirements will be satisfied by a combination of [REDACTED] from the [REDACTED], funds received from existing and potential collaboration arrangements and cash generated from our operations after the commercialization of our drug candidates. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration arrangements or other sources.

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of March 31,	As of April 30,
	2024	2025	2026	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)
Current assets				
Prepayments and other				
receivables	16,411	16,941	17,942	18,232
Financial assets at FVPL	164,404	145,055	100,397	100,471
Time deposits	—	2,142	—	4,820
Cash and cash equivalents	170,183	254,636	255,778	236,260
Total current assets	350,998	418,774	374,117	359,783

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	As of December 31,		As of March 31,	As of April 30,
	2024	2025	2026	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)
Current liabilities				
Trade and other payables	33,661	60,462	54,768	50,706
Lease liabilities	1,167	1,377	1,328	1,075
Income tax payables	1,118	—	—	—
Financial instruments issued to investors	841,762	1,178,641	1,206,406	1,215,535
Total current liabilities	877,708	1,240,480	1,262,502	1,267,316
Net current liabilities	(526,710)	(821,706)	(888,385)	(907,533)

Our net current liabilities increased from RMB888.4 million as of March 31, 2026 to RMB907.5 million as of April 30, 2026, primarily due to a decrease in our cash and cash equivalents. Our net current liabilities increased from RMB821.7 million as of December 31, 2025 to RMB888.4 million as of March 31, 2026, primarily due to a decrease in our financial assets at FVPL. Our net current liabilities increased from RMB526.7 million as of December 31, 2024 to RMB821.7 million as of December 31, 2025 primarily attributable to an increase in our financial instruments issued to investors.

Although we recorded net current liabilities during the Track Record Period, we believe that our net current liabilities position is expected to improve through reduction of financial instruments issued to investors upon [REDACTED]. A significant portion of our current liabilities during the Track Record Period were attributable to financial instruments issued to investors, which arose from instruments with special rights issued to pre-[REDACTED] investors in connection with our financing activities. These instruments with special rights we issued to our pre-[REDACTED] investors will be transferred to equity upon the [REDACTED], after which the amount of our financial instruments issued to investors will be derecognized from our liabilities and transferred to equity, which can result in a significant improvement to our net current liabilities position.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

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

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Net Cash Used in Operating Activities

In the three months ended March 31, 2026, our net cash used in operating activities was RMB44.4 million, which was primarily attributable to our loss before taxation of RMB73.1 million adjusted by certain non-cash and working capital items, which primarily included changes in the fair value of financial instruments issued to investors of RMB27.8 million.

In 2025, our net cash used in operating activities was RMB11.1 million, which was primarily attributable to our loss before taxation of RMB312.6 million adjusted by certain non-cash and working capital items, which primarily included changes in the fair value of financial instruments issued to investors of RMB154.9 million and changes in fair value of other financial instruments of RMB101.0 million.

In 2024, our net cash used in operating activities was RMB119.4 million, which was primarily attributable to our loss before taxation of RMB225.3 million adjusted by certain non-cash and working capital items, which primarily included changes in the fair value of financial instruments issued to investors of RMB94.0 million and a decrease in prepayments and other receivables of RMB8.2 million.

In view of our net operating cash outflows throughout the Track Record Period, we plan to improve such position through the following initiatives: (i) advance our pipeline candidates towards commercialization to generate revenue from product sales. Specifically, we are pursuing a fast-to-market strategy for TLL-018 for CSU and RA treatment by advancing two Phase III registrational trials in China, with expected NDA applications for RA by the end of 2026 and for CSU in the first quarter of 2027; (ii) receive potential corresponding milestone payments pursuant to license and collaboration agreements executed with our partners, and actively pursue business development opportunities for entering into additional license and collaboration arrangements with major pharmaceutical companies to further diversify our revenue streams; and (iii) adopt comprehensive measures to effectively control our cost and operating expenses. We will also closely monitor our receivables collection and payables settlement, thereby enhancing working capital management and improving our cash flow position.

Net Cash Generated from/(Used in) Investing Activities

In the three months ended March 31, 2026, our net cash generated from investing activities was RMB46.9 million, which was primarily attributable to proceeds from disposal and redemptions of financial assets measured at FVPL of RMB45.1 million.

In 2025, our net cash used in investing activities was RMB84.4 million, which was primarily attributable to payment for purchase of financial assets measured at FVPL of RMB210.0 million, partially offset by proceeds from disposal and redemptions of financial assets measured at FVPL of RMB127.1 million.

In 2024, our net cash generated from investing activities was RMB84.1 million, which was primarily attributable to proceeds from disposal and redemptions of financial assets measured at FVPL of RMB199.2 million, partially offset by payment for purchase of financial assets measured at FVPL of RMB111.0 million.

Net Cash Generated from/(Used in) Financing Activities

In the three months ended March 31, 2026, our net cash used in financing activities was RMB1.3 million, which was primarily attributable to payment for [REDACTED] of RMB [REDACTED].

In 2025, our net cash generated from financing activities was RMB180.1 million, which was primarily attributable to capital contributions by investors of RMB182.9 million.

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In 2024, our net cash generated from financing activities was RMB128.5 million, which was primarily attributable to capital contributions by investors of RMB130.3 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year Ended December 31,		Three Months Ended March 31,	
	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Costs relating to research and development of our Core Product				
Preclinical and clinical trial expenses	73,051	52,531	15,438	12,086
Staff costs	18,129	24,409	6,663	9,960
Others	6,101	6,744	952	1,189
Subtotal.	97,281	83,684	23,053	23,235
Costs relating to research and development of key products and other products				
Preclinical and clinical trial expenses	24,724	20,411	7,401	6,880
Staff costs	5,415	7,283	3,872	3,378
Others	2,051	3,035	266	736
Subtotal.	32,190	30,729	11,539	10,994
Other costs				
Labor cost for non-research and development staff	4,621	7,734	2,932	3,961

WORKING CAPITAL CONFIRMATION

Although we recorded net current liabilities during the Track Record Period, we believe that our net current liabilities position is expected to improve through the following measures:

- **Cash inflow from our operations.** We will continue to advance the commercialization of our products to generate product sales revenue. In particular, we are pursuing a fast-to-market strategy for TLL-018 for the treatment of RA and CSU by advancing its Phase III registrational trial in China, with expected NDA applications for CSU in the first quarter of 2027 and for RA by the end of 2026. In addition, we expect to receive milestone payments from our license and collaboration agreements. We will also actively pursue new collaboration opportunities to diversify our revenue sources.
- **Reduction of current liabilities upon [REDACTED].** A significant portion of our current liabilities during the Track Record Period was attributable to financial instruments issued to investors, which arose from instruments with special rights issued to pre-[REDACTED] investors in connection with our financing activities. These instruments with special rights we issued to our pre-[REDACTED] investors will be transferred to equity upon the [REDACTED], after which the amount of our financial instruments issued to investors will be derecognized from our liabilities and transferred to equity, which can result in a significant improvement to our net current liabilities position.

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As of April 30, 2026, we had total committed bank credit facilities of RMB130.0 million. Subject to the banks’ internal management requirements and applicable drawdown conditions, up to RMB50.0 million of such facilities was available for drawdown prior to the [REDACTED], with the remaining facilities available for drawdown upon completion of the [REDACTED] and satisfaction of the relevant conditions.

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

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

INDEBTEDNESS

During the Track Record Period, we had indebtedness in the form of lease liabilities and financial instruments issued to investors. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of	As of
	2024	2025	March 31,	April 30,
	(RMB'000)	(RMB'000)	2026	2026
			(RMB'000)	(RMB'000)
				(unaudited)
Current				
Lease liabilities	1,167	1,377	1,328	1,075
Financial instruments issued to investors	841,762	1,178,641	1,206,406	1,215,535
Non-current				
Lease liabilities	1,341	126	90	70
Total	844,270	1,180,144	1,207,824	1,216,680

Lease Liabilities

Our lease liabilities primarily comprise leases of office buildings. As of December 31, 2024 and 2025, March 31, 2026 and April 30, 2026, we had a total of current and non-current lease liabilities of RMB2.5 million, RMB1.5 million, RMB1.4 million and RMB1.1 million, respectively.

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Financial Instruments Issued to Investors

Our financial instruments issued to investors were recognized for special rights issued to pre-[REDACTED] investors. As of December 31, 2024 and 2025, March 31, 2026 and April 30, 2026, we had financial instruments issued to investors of RMB841.8 million, RMB1,178.6 million, RMB1,206.4 million and RMB1,215.5 million, respectively. These instruments with special rights we issued to our pre-[REDACTED] investors will be transferred to equity upon the [REDACTED], and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the [REDACTED]. For details, see Note 21 to the Accountants’ Report set out in Appendix I to this document.

Indebtedness Statement

Except as discussed above, we do not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or material breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that there have been no material changes in our indebtedness since April 30, 2026, being the latest practicable date for determining our indebtedness, up to the date of this document.

CAPITAL EXPENDITURES

In 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred capital expenditure in connection with the purchase of property, plant and equipment of RMB4.8 million, RMB1.0 million, RMB75 thousand and RMB332 thousand, respectively.

To better accommodate the growing demand for our drug candidates upon commercialization, we plan to acquire land, establish manufacturing facilities and purchase production equipment. We plan to fund such planned capital expenditures mainly through a combination of the [REDACTED] from the [REDACTED], funds from existing and potential collaboration arrangements, revenue expected to be generated from sales of our products in the future and others. See the section “Future Plans and Use of [REDACTED]” in the document for more details. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors as appropriate.

CAPITAL COMMITMENTS

As of December 31, 2024 and 2025 and March 31, 2026, we did not have any material capital commitment.

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025 and March 31, 2026, we did not have any contingent liabilities. As of the Latest Practicable Date, there have been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we have not entered into any off-balance sheet transactions.

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RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain transactions with our related parties. For details, see Note 26 to the Accountants’ Report set out in Appendix I to this document. Our Directors confirm that each of the significant related party transactions during the Track Record Period was conducted on an arm’s length basis, and would not distort our results of operations over the Track Record Period or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
Current ratio ⁽¹⁾	0.4	0.3	0.3

Note:

(1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.

Our current ratio decreased from 0.4 as of December 31, 2024 to 0.3 as of December 31, 2025, primarily due to the increases in our financial instruments issued to investors. Our current ratio remains stable at 0.3 as of March 31, 2026.

MARKET RISK DISCLOSURE

The risks associated with our financial instruments primarily include credit risk, liquidity risk and interest rate risk. Our management manages these exposures to ensure appropriate measures are implemented on a timely and effective manner. See Note 24 to the Accountants’ Report set out in Appendix I to this document for more details.

Credit Risk

Our credit risk is primarily attributable to other receivables. Our exposure to credit risk arising from cash and cash equivalents, time deposits and negotiable certificate of deposits with banks is limited because the counterparties are state-owned banks or reputable banks, which we consider to have low credit risks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Our Directors believe that other receivables have not had a significant increase in credit risk since initial recognition.

Liquidity Risk

We regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet the liquidity requirements in the short and longer term.

Interest Rate Risk

We are primarily exposed to fair value interest rate risk in relation to negotiable certificate of deposits with banks, lease liabilities and cash flow risk in relation to variable-rate bank balances. We currently do not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, our management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

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Currency Risk

We are exposed to currency risk primarily from cash and cash equivalents and time deposits that are denominated in a foreign currency. The currencies giving rise to this risk are primarily U.S. dollars. For details, please refer to Note 24(d) to the Accountants’ Report set forth in Appendix I to this document.

Equity Risk

We are exposed to equity price changes arising from investment in equity securities listed in the United States. For details, please refer to Note 24(e) to the Accountants’ Report set forth in Appendix I to this document.

DIVIDEND

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

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

DISTRIBUTABLE RESERVES

As of March 31, 2026, we recorded distributable reserves of nil.

[REDACTED]

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

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charged to our consolidated statements of profit or loss and other comprehensive income, and approximately RMB[REDACTED] of which is attributable to the [REDACTED] of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since March 31, 2026 and up to the date of this document and there is no event since March 31, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there is no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

On September 30, 2021, Dr. Liang and Dr. Liu Xiangdong (劉向東) (“**Dr. Liu**”) entered into a voting proxy agreement, pursuant to which Dr. Liu voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. The voting proxy agreement between Dr. Liang and Dr. Liu became effective from the date of execution for an indefinite period until the later of (i) mutual written agreement by both parties to terminate the voting proxy agreement or (ii) the date on which Dr. Liu ceases to hold any equity interest in our Company. For details of the voting proxy agreement between Dr. Liang and Dr. Liu, see “History, Development and Corporate Structure — Voting Proxy and Acting-in-concert Arrangements — (a) Voting Proxy Arrangement between Dr. Liang and Dr. Liu.”

On February 1, 2021, Dr. Liang and Mr. Tang Yilong (唐亦龍) (“**Mr. Tang**”) entered into an acting-in-concert agreement, pursuant to which Dr. Liang and Mr. Tang agreed to act in concert on all proposals and resolutions presented at Board meetings and Shareholders’ meetings. The acting-in-concert agreement shall automatically terminate upon the [REDACTED]. On February 7, 2024, Dr. Liang and Mr. Tang entered into a voting proxy agreement, pursuant to which Mr. Tang voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. The voting proxy agreement became effective from the date of execution until the earlier of (i) the [REDACTED] or (ii) the date on which Mr. Tang ceases to hold any equity interest in our Company. For details of the acting-in-concert agreement and the voting proxy agreement between Dr. Liang and Mr. Tang, see “History, Development and Corporate Structure — Voting Proxy and Acting-in-concert Arrangements — (b) Acting-in-concert and Voting Proxy Arrangements between Dr. Liang and Mr. Tang.”

Immediately before the completion of the [REDACTED], Dr. Liang, both directly and indirectly (as general partner of Highlightll Enterprise Management and through voting proxy arrangements with Dr. Liu and Mr. Tang), and Mr. Tang collectively control approximately 36.99% of the voting rights in our Company. Therefore, Dr. Liang, Mr. Tang and Highlightll Enterprise Management are considered our controlling Shareholders before the [REDACTED] and will be subject to the applicable lock-up requirements under Rule 10.07 of the Listing Rules upon the completion of the [REDACTED].

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

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors believe that our Group will be capable of carrying out our business independently from our single largest group of Shareholders and their respective close associates after the [REDACTED] for the reasons set out below.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently from our single largest group of Shareholders and their respective close associates. We are in possession of all relevant licenses, assets, copyrights, trademarks and other intellectual properties necessary to carry on and operate our business. In addition, we have sufficient operational capacity in terms of capital and employees to operate independently.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Based on the above, our Directors believe that our Group will be able to operate independently from our single largest group of Shareholders and their respective close associates after the [REDACTED].

Management Independence

Upon the [REDACTED], our Board will comprise two executive Directors, two non-executive Directors and three independent non-executive Directors, and our senior management team will comprise six members. Our executive Directors and senior management team are responsible for the daily management of our operations.

Our Directors believe that our Group will be able to function independently from our single largest group of Shareholders and their respective close associates after the [REDACTED] for the following reasons:

- (a) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors are not associated with our single largest group of Shareholders or their respective close associates, which ensures that decisions of our Board are made only after due consideration of independent and impartial opinions;
- (b) our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to provide a balance of potentially interested Directors with a view to promoting the interests of our Company and our Shareholders as a whole;
- (c) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions;
- (d) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director of a [REDACTED], which require that he or she acts for the benefit and in the best interest of our Company, and does not allow any conflict between his or her duties as a Director and his or her personal interests; and
- (e) if there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Directors are obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings in respect of such transactions.

Based on the above, our Directors believe that they will be able to perform their managerial roles in our Company independently from our single largest group of Shareholders and their respective close associates after the [REDACTED].

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance team responsible for discharging treasury functions. We are capable of obtaining financing from third parties, if necessary, without reliance on our single largest group of Shareholders or their respective close associates. As of the Latest Practicable Date, there were no subsisting loans, guarantees or pledges provided by our single largest group of Shareholders or their respective close associates to our Group.

Based on the above, our Directors believe that our Group will be able to maintain financial independence from our single largest group of Shareholders and their respective close associates after the [REDACTED].

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to maintain good corporate governance standards and to avoid potential conflict of interest between our Group and our single largest group of Shareholders and their respective close associates:

- (a) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Group enters into connected transactions with our single largest group of Shareholders or their respective close associates, our Company will comply with the applicable requirements under the Listing Rules;
- (b) where a Shareholders’ meeting is to be held to consider proposed transactions in which our single largest group of Shareholders or their respective close associates have any material interests, our single largest group of Shareholders and their respective close associates (as applicable) will not vote on the relevant resolutions;
- (c) our independent non-executive Directors will review whether there is any conflict of interest between our Group and our single largest group of Shareholders and their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) if any of our single largest group of Shareholders or Directors has a conflict of interest in a matter to be considered by our Board which our Board has determined to be material, the matter will be dealt with by a physical meeting rather than a written resolution. Additionally, our independent non-executive Directors with no material interest in the matter will be present at the relevant Board meeting;
- (e) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including independent non-executive Directors), the appointment of such independent professional will be made at our Company’s expenses; and
- (f) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor who will provide advice and guidance to us with respect to compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors’ duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflict of interest between our Group and our single largest group of Shareholders and their respective close associates, and to protect our minority Shareholders’ rights after the [REDACTED].

SHARE CAPITAL

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB21,295,728 divided into 21,295,728 Unlisted Shares with a nominal value of RMB1.00 each.

IMMEDIATELY FOLLOWING THE COMPLETION OF THE SHARE SUBDIVISION AND THE [REDACTED]

Immediately following the completion of the [REDACTED] (taking into account the Share Subdivision) and the conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital (%)
H Shares converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Immediately following the completion of the [REDACTED] (taking into account the Share Subdivision) and the conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital (%)
H Shares converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

RANKING

Upon the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares, our Shares will consist of H Shares only. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the CSRC for the conversion, listing and trading of such converted Shares have been completed. Additionally, such conversion, trading and listing shall meet applicable requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Unlisted Shares (if any).

SHARE CAPITAL

If any Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the [REDACTED] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [REDACTED] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry in the H Share register of members. As the [REDACTED] of additional H Shares after the [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our initial [REDACTED] in Hong Kong. Any application for [REDACTED] of the converted H Shares on the Stock Exchange after the [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register of members, and our Company will re-register such Shares on the H Share register of members maintained in Hong Kong and instruct the H Share Registrar to [REDACTED] H Share certificates. Registration on the H Share register of members of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates, and (ii) the admission of the H Shares to be [REDACTED] on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered in the H Share register of members of our Company, such Shares would not be [REDACTED] as H Shares. For details of our existing Shareholders’ proposed conversion of Unlisted Shares into H Shares, see “History, Development and Corporate Structure — Capitalization of Our Company.”

REGISTRATION OF SHARES NOT LISTED ON OVERSEAS STOCK EXCHANGE

According to the Notice on Adjustment of Business Acceptance of Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司關於境外上市公司非境外上市股份登記存管業務受理調整的通知》) and the Business Guidelines for the Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies of China Securities Depository and Clearing Corporation Limited Shenzhen Branch (《中國證券登記結算有限責任公司深圳分公司境外上市公司非境外上市股份登記存管業務指南》), our Company is required to register and deposit our Shares that are not listed on the overseas stock exchange with the Shenzhen Branch of the CSDC.

SHAREHOLDERS’ MEETING

For details of circumstances under which Shareholders’ meeting is required, see “Appendix III — Summary of Articles of Association.”

GENERAL MANDATE TO ISSUE SHARES AND SELL AND/OR TRANSFER TREASURY SHARES

Subject to the completion of the [REDACTED], pursuant to the Shareholder resolutions of our Company, our Board has been granted a general mandate to allot and issue Shares and sell and/or transfer treasury Shares. See “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders.”

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme on September 9, 2025. For further information regarding the terms and information of the participants of the Employee Incentive Scheme, see “Appendix IV — Statutory and General Information — D. Employee Incentive Scheme.”

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (taking into account the Share Subdivision and assuming that the [REDACTED] is not exercised) and the conversion of Unlisted Shares to H Shares, the following persons will have interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company.

Shareholder	Nature of interest	Number of Shares (taking into account the Share Subdivision) interested in immediately following the completion of the [REDACTED] ⁽¹⁾	Approximate percentage of interest in the H Shares immediately following the completion of the [REDACTED] ⁽²⁾	Approximate percentage of interest in the total share capital of our Company immediately following the completion of the [REDACTED] ⁽²⁾
			(%)	(%)
Dr. Liang	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of a party to an agreement regarding interest in our Company ⁽⁴⁾	[REDACTED]	[REDACTED]	[REDACTED]
Dr. Liu	Beneficial owner ⁽⁴⁾	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Kaitai Jie'ao Investment Management Co., Ltd. (杭州凱泰潔奧投資管理有限公司) (“Kaitai Jie'ao”)	Interest in controlled corporation ⁽⁵⁾	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Kaitai Capital Management Co., Ltd. (杭州凱泰資本管理有限公司) (“Hangzhou Kaitai”)	Interest in controlled corporation ⁽⁵⁾	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xu Yonghong (徐永紅) (“Mr. Xu”)	Interest in controlled corporation ⁽⁵⁾	[REDACTED]	[REDACTED]	[REDACTED]
Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)) (“Hankang SME”)	Beneficial owner ⁽⁶⁾	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Hanshan Management Consulting Partnership (Limited Partnership) (上海漢杉管理諮詢合夥企業(有限合夥)) (“Shanghai Hanshan”)	Interest in controlled corporation ⁽⁶⁾	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Hankang Private Equity Fund Management Co., Ltd. (上海漢康私募基金管理有限公司) (“Shanghai Hankang”)	Interest in controlled corporation ⁽⁶⁾	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Yuan Quanhong (苑全紅) (“Mr. Yuan”)	Interest in controlled corporation ⁽⁶⁾	[REDACTED]	[REDACTED]	[REDACTED]
AZ-CICC	Beneficial owner ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]
AstraZeneca Investment Consulting (Wuxi) Co., Ltd. (阿斯利康商務諮詢(無錫)有限公司) (“AZ Investment Consulting”)	Interest in controlled corporation ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]
AstraZeneca Investment (China) Co., Ltd. (阿斯利康投資(中國)有限公司) (“AZ Investment (China)”)	Interest in controlled corporation ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]
AstraZeneca Continent B.V.	Interest in controlled corporation ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]
AstraZeneca PLC (“AstraZeneca”)	Interest in controlled corporation ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Shareholder	Nature of interest	Number of Shares (taking into account the Share Subdivision) interested in immediately following the completion of the [REDACTED] ⁽¹⁾	Approximate percentage of interest in the H Shares immediately following the completion of the [REDACTED] ⁽²⁾	Approximate percentage of interest in the total share capital of our Company immediately following the completion of the [REDACTED] ⁽²⁾
			(%)	(%)
CICC Private Equity Management Co., Ltd. (中金私募股權投資管理有限公司) (“CICC Capital Management”).	Interest in controlled corporation ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]
China International Capital Corporation Limited (中國國際金融股份有限公司) (“CICC”)	Interest in controlled corporation ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]
Central Huijin Investment Ltd.* (中央匯金投資有限責任公司) (“Central Huijin”)	Interest in controlled corporation ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED]
Dr. Tan	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- The letter “L” denotes the person’s long position in the Shares.
- The calculation is based on: (i) the total number of [REDACTED] H Shares (taking into account the Share Subdivision) in issue immediately following the completion of the [REDACTED] since [REDACTED] Unlisted Shares (taking into account the Share Subdivision) will be converted into H Shares and [REDACTED] H Shares will be issued pursuant to the [REDACTED], and (ii) the assumption that the [REDACTED] is not exercised.
- The general partner of Highlightl Enterprise Management is Dr. Liang. As such, Dr. Liang is deemed to be interested in the Shares held by Highlightl Enterprise Management under the SFO.
- On September 30, 2021, Dr. Liang and Dr. Liu Xiangdong (劉向東) (“Dr. Liu”) entered into a voting proxy agreement, pursuant to which Dr. Liu voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. For details of the voting proxy agreement between Dr. Liang and Dr. Liu, see “History, Development and Corporate Structure — Voting Proxy and Acting-in-concert Arrangements — (a) Voting Proxy Arrangement between Dr. Liang and Dr. Liu.”
- To the best of our Directors’ knowledge, as of the Latest Practicable Date, (i) the general partner of Hangzhou Kaitai Hongde Venture Investment Partnership (Limited Partnership) (杭州凱泰宏德創業投資合夥企業(有限合夥)) (“**Kaitai Hongde**”) and Xiamen Jinyuan Kaitai Zhanhong Health Growth Venture Investment Partnership (Limited Partnership) (廈門金圓凱泰展鴻健康成長創業投資合夥企業(有限合夥)) (“**Jinyuan Kaitai**”) was Hangzhou Kaitai; (ii) the general partner of Hangzhou Kaitai Chengde Venture Investment Partnership (Limited Partnership) (杭州凱泰成德創業投資合夥企業(有限合夥)) (“**Kaitai Chengde**”) and Hangzhou Kaitai Ruide Venture Investment Partnership (Limited Partnership) (杭州凱泰睿德創業投資合夥企業(有限合夥)) (“**Kaitai Ruide**”) was Kaitai Jie’ao; and (iii) Kaitai Jie’ao was wholly owned by Hangzhou Kaitai, which was in turn owned as to 53.00% by Mr. Xu. Therefore, (i) Kaitai Jie’ao is deemed to be interested in the Shares held by Kaitai Chengde and Kaitai Ruide under the SFO; and (ii) both Hangzhou Kaitai and Mr. Xu are deemed to be interested in the Shares held by Kaitai Hongde, Kaitai Chengde, Kaitai Ruide and Jinyuan Kaitai under the SFO.
- To the best of our Directors’ knowledge, as of the Latest Practicable Date, the general partner of Hankang SME was Shanghai Hanshan. The general partner of Shanghai Hanshan was Shanghai Hankang, which was in turn owned as to 80.00% by Mr. Yuan. Therefore, each of Shanghai Hanshan, Shanghai Hankang and Mr. Yuan is deemed to be interested in the Shares held by Hankang SME under the SFO.
- To the best of our Directors’ knowledge, as of the Latest Practicable Date, the general partners of AZ-CICC were AZ Investment Consulting and CICC Capital Management. AZ Investment Consulting was wholly owned by AZ Investment (China), which was in turn wholly owned by AstraZeneca Continent B.V., a wholly owned subsidiary of AstraZeneca (AZN.LSE; AZN.NYSE). CICC Capital Management is a wholly-owned subsidiary of China International Capital Corporation Limited (中國國際金融股份有限公司) (601995.SH; 03908.HK), which was in turn owned as to 40.11% by Central Huijin. Therefore, each of AZ Investment Consulting, AZ Investment (China), AstraZeneca Continent B.V., AstraZeneca, CICC Capital Management, CICC and Central Huijin is deemed to be interested in the Shares held by AZ-CICC under the SFO.

Save as disclosed above and in “Appendix IV — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 3. Disclosure of Interests,” our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the conversion of Unlisted Shares to H Shares, have any interest and/or short position in the Shares or underlying Shares of our Company which will fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon the [REDACTED], our Board will comprise seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The table below sets out certain information of our Directors.

Name	Age	Position	Date of appointment as Director	Date of joining our Group	Responsibilities
Executive Directors					
Dr. Liang Congxin (梁從新)	62	Chairman of our Board, executive Director, CEO and general manager	December 3, 2018	January 1, 2018	Overseeing the strategic planning, business operations, financial management and R&D of our Group
Dr. Tang Wei (唐煒)	52	Executive Director and senior vice president	December 20, 2021	February 18, 2021	Overseeing target discovery, preclinical development and early clinical development of our Group
Non-executive Directors					
Mr. Li Xianxian (李顯顯)	37	Non-executive Director	July 21, 2021	July 21, 2021	Participating in formulating corporate and business strategies of our Group
Mr. Zhang Yincheng (張銀成)	51	Non-executive Director	October 24, 2025	October 24, 2025	Participating in formulating corporate and business strategies of our Group
Independent Non-executive Directors					
Dr. Li Xiang (李湘)	62	Independent non-executive Director	November 11, 2021	November 11, 2021	Supervising and providing independent judgment to our Board
Dr. Xu Haoxin (徐浩新)	55	Independent non-executive Director	May 9, 2024	September 8, 2023	Supervising and providing independent judgment to our Board
Ms. Wong Yan Ki, Angel (黃欣琪)	54	Independent non-executive Director	September 15, 2025	September 15, 2025	Supervising and providing independent judgment to our Board

Executive Directors

Dr. Liang Congxin (梁從新) has played a vital role in our Group’s growth and development. Dr. Liang is a distinguished medicinal chemist with over 30 years of experience in pharmaceutical research, drug discovery and corporate leadership. He held the position of director of medicinal chemistry at Sugen Inc., which later became part of Pfizer, from June 1996 to March 2004. During his tenure, Dr. Liang led the development of sunitinib (舒尼替尼), an FDA-approved therapy for gastric and renal cancers, which achieved over US\$1 billion in sales within a decade of its launch. Dr. Liang subsequently co-founded Xcovery Holdings, Inc. (“**Xcovery**”), where he served in various executive roles from June 2006 to February 2019 and successfully developed two breakthrough therapies, namely ensartinib (恩沙替尼), for the treatment of non-small cell lung cancer, and vorolanib (伏羅尼布), a next-generation, small-molecule, multi-kinase inhibitor designed for combination therapies. Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司) (300558.SZ) (“**Betta Pharmaceuticals**”) acquired a controlling interest in Xcovery in June 2017. Throughout the Track Record Period and up to the Latest Practicable Date, Dr. Liang held approximately 1.06% equity interest in Xcovery but did not hold any position in the company. Dr. Liang also serves as the director and general manager of Highlightll Hainan and the manager of Highlightll US.

Dr. Liang obtained a bachelor’s degree in inorganic chemistry from Wuhan University (武漢大學) in the PRC in July 1983 and a Ph.D. in quantum chemistry from Princeton University in the United States in February 1989.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Tang Wei (唐煒) has extensive experience in preclinical development and early clinical development. From June 2002 to April 2009, she was first a postdoctoral fellow and later a lecturer at UT Southwestern Medical Center. From April 2011 to January 2021, Dr. Tang served as vice president of R&D at Hangzhou Essen Pharmaceutical Research Co., Ltd. (杭州艾森醫藥研究有限公司).

Dr. Tang obtained a Ph.D. in biochemistry and molecular biology from the Institute of Biophysics of Chinese Academy of Sciences (中國科學院生物物理所) in the PRC in June 2002.

Non-executive Directors

Mr. Li Xianxian (李顯顯) has extensive experience in private equity and venture capital investment, with a strong focus on the life sciences sector. He joined Hangzhou Kaitai Capital Management Co., Ltd. (杭州凱泰資本管理有限公司) in 2015 and has held multiple roles, including investment manager, vice president, executive president and managing president. Since April 2021, he has served as a managing partner, where he leads investment initiatives in biotechnology and pharmaceutical innovation, and contributes to the strategic management of the firm’s life sciences portfolio. Mr. Li also serves as a director of several portfolio companies, including Hangzhou Atom Therapeutics Co., Ltd. (杭州新元素藥業股份有限公司) since May 2017, and Jiangsu Yahong Meditech Co., Ltd. (江蘇亞虹醫藥科技股份有限公司) (688176.SH) from December 2020 to March 2026.

Mr. Li obtained a master’s degree in chemical engineering from Zhejiang University (浙江大學) in the PRC in June 2015.

Mr. Zhang Yincheng (張銀成) has over 20 years of experience in securities and equity investment. He served as a corporate consultant of the financial advisory department at SWS Research Co., Ltd. (上海申銀萬國證券研究所有限公司) from March 2002 to March 2004. From April 2004 to July 2015, Mr. Zhang served a vice president and director at Jingong Holding Group Co., Ltd. (精工控股集團有限公司), a subsidiary of Zhongjianxin Holdings Group Co., Ltd. (中建信控股集團有限公司), and served as a president and director at Zhongjianxin Holdings Group Co., Ltd. from August 2004 to June 2019. Since September 2010, Mr. Zhang has been a partner at Shanghai Hankang Private Equity Fund Management Co., Ltd. (上海漢康私募基金管理有限公司). Mr. Zhang has also served as a non-executive director of Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司) (09887.HK) since May 2023.

Mr. Zhang obtained a bachelor’s degree in industrial business administration from Hebei University of Technology (河北工業大學) in the PRC in July 1997 and a master’s degree in political economy from Zhejiang University (浙江大學) in the PRC in March 2002. He further obtained an EMBA from Guanghua School of Management of Peking University (北京大學光華管理學院) in the PRC in July 2012.

Independent Non-executive Directors

Dr. Li Xiang (李湘) has over 30 years of experience in the pharmaceutical and biotech industries. He began his career as a postdoctoral research fellow at the Lawrence Berkeley National Laboratory in February 1989. From June 1989 to April 2004, Dr. Li worked as the chief operating officer of American Peptide Company. In August 2001, Dr. Li founded Chinese Peptide Company (中肽生化有限公司) (formerly known as Chinese Peptide Company (杭州中肽生化有限公司)) and has served as the chairman since its establishment. From May 2015 to August 2020, he also held the roles of deputy chairman and director of Guizhou Xinbang Pharmaceutical Co., Ltd. (貴州信邦製藥股份有限公司) (002390.SZ). In April 2021, Dr. Li co-founded Zhejiang Handing Pharmaceutical Co., Ltd. (浙江漢鼎醫藥有限公司), and has served as its chairman since then. He also co-founded and worked at Lake Ventures from March 2017 to April 2021. Dr. Li has been a director of Medtide Inc. (泰德醫藥(浙江)股份有限公司) (03880.HK) since January 2022.

Dr. Li obtained a bachelor’s degree in chemistry from Wuhan University (武漢大學) in the PRC in July 1983, a Ph.D. in science from the Chinese Academy of Sciences (中國科學院) in the PRC in January 1989, and an MBA from IMD Business School in Switzerland and an EMBA from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2016.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Xu Haoxin (徐浩新) has over 24 years of experience in biochemistry and neurobiology. In March 2007, Dr. Xu joined the University of Michigan as assistant professor, and was subsequently promoted to associate professor in June 2012 and professor in June 2016. In 2020, Dr. Xu founded Lysoway Therapeutics, Inc. and Hangzhou Yaodian Biotechnology Co., Ltd. (杭州曜點生物科技有限公司). He later established Zhejiang Rongmei Biomedical Technology Co., Ltd. (浙江熔美生物醫藥科技有限公司) in December 2023, where he served as chairman and science consultant. Dr. Xu has held multiple academic and leadership roles, including professor at Liangzhu Laboratory (良渚實驗室) since June 2022, visiting professor at the University of Michigan since August 2022, and the dean of School of Basic Medical Sciences of Zhejiang University (浙江大學基礎醫學院) since September 2022. Dr. Xu was awarded the Sloan Research Fellowship from Alfred P. Sloan Foundation in 2009, the Presidential Early Career Award for Scientists and Engineers (PECASE) Award in 2010, a New Cornerstone Investigator (新基石研究員) from the New Cornerstone Science Foundation (新基石科學基金會) in January 2024, and the Innovation Peak Award (創新築峰獎) from Zhejiang University School of Medicine (浙江大學醫學院) in January 2025. Dr. Xu was a co-founder and chair of the Inaugural Gordon Research Conference on Organellar Channels and Transporters (首屆高登會議細胞器離子通道和轉運蛋白會議) in 2015, and a vice chairman of the Organelle Division of the Chinese Society for Cell Biology (中國細胞生物學學會細胞器生物學分會) since July 2023.

Dr. Xu obtained a bachelor's degree in biochemistry from Peking University (北京大學) in the PRC in July 1992 and a Ph.D. in neurobiology from Georgia State University in the United States in August 2001.

Ms. Wong Yan Ki, Angel (黃欣琪) has 30 years of experience in accounting, auditing, corporate finance and capital markets. She joined Kwan Wong Tan & Fong in October 1995, which later merged with Deloitte Touche Tohmatsu in April 1997, and resigned from Deloitte Touche Tohmatsu in November 1999. She later served a number of roles at Great East Packaging Holdings Limited (偉東包裝製品集團有限公司) from October 1999 to March 2003, including group financial controller and assistant finance manager. From April 2003 to December 2007, she held various positions at Benefit Capital Limited (百富達融資有限公司), including vice president and executive director. Since November 2007, Ms. Wong has been an executive director of Advanced Capital Limited (匯財資本有限公司), where she is responsible for operational management and major decisions.

Ms. Wong is currently an independent non-executive director of Betta Pharmaceuticals since January 2021, Henan Jinyuan Hydrogenated Chemicals Co., Ltd. (河南金源氫化化工股份有限公司) (02502.HK) since October 2023, and ALPHAMAB ONCOLOGY (康寧傑瑞生物製藥) (09966.HK) since June 2025, respectively. She also served as an independent director of BIT Mining Limited (比特礦業有限公司) (formerly known as 500.com Limited) (BTCM.NYSE) from November 2015 to April 2023, an independent non-executive director of Many Idea Cloud Holdings Limited (多想雲科技有限公司) (06696.HK) from October 2022 to June 2025, and an independent non-executive director of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (國鴻氫能科技(嘉興)股份有限公司) (09663.HK) from October 2022 to May 2026.

Ms. Wong has obtained several professional qualifications, including fellow member of the Institute of Financial Accountants in the United Kingdom (IFA) since October 2003, fellow member of the Institute of Public Accountants (FIPA) since April 2015, member of The Hong Kong Institute of Directors (香港董事學會) since November 2014 and fellow member since November 2025, founding member of The Hong Kong Independent Non-executive Director Association (香港獨立非執行董事協會) since January 2016, fellow member of CPA Australia (FCPA Aust.) since May 2017, member of the Institute of Certified Management Accountants (CMA Aust.) since October 2024, and a Certified Chinese Internal Auditor of the Association of Chinese Internal Auditors in Hong Kong (ACIA) (香港華人內部審計師公會) since July 2025, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wong obtained a bachelor’s degree in international accounting from Xiamen University (廈門大學) in the PRC in July 1994, a postgraduate certificate in professional accounting from the City University of Hong Kong (香港城市大學) in Hong Kong in November 2000, and an EMBA from Cheung Kong Graduate School of Business (長江商學院) in the PRC in October 2009.

SENIOR MANAGEMENT

Upon the [REDACTED], our senior management will comprise six members. The following table sets out certain information of our senior management.

Name	Age	Position	Date of appointment as senior management	Date of joining our Group	Responsibilities
Dr. Liang Congxin (梁從新)	62	CEO and general manager	January 1, 2018	January 1, 2018	Overseeing the strategic planning, business operations and R&D of our Group
Dr. Tang Wei (唐煒)	52	Senior vice president	February 18, 2021	February 18, 2021	Overseeing target discovery, preclinical development and early clinical development activities of our Group
Dr. Huang Junmin	54	Senior vice president	July 1, 2021	July 1, 2021	Overseeing quality management and CMC development our Group
Mr. Liu Yong (劉勇)	47	Senior vice president	October 15, 2020	October 15, 2020	Overseeing the planning, execution and management of clinical trials and patient care coordination of our Group
Ms. Ren Zhenghua (任崢華)	49	Vice president	January 19, 2026	January 19, 2026	Overseeing the commercial operations of our Group
Mr. Song Liu jun (宋留君)	47	Vice president	July 15, 2025	July 15, 2025	Overseeing the licensing, collaboration and global market expansion of our Group

For details of the biographies of Dr. Liang and Dr. Tang Wei (唐煒), see “— Board of Directors” above.

Dr. Huang Junmin has extensive experience in quality management, CMC development and regulatory affairs. From July 1999 to June 2002, Dr. Huang served as assistant professor at Nankai University (南開大學). From October 2006 to November 2007, he was a research associate professor at The University of Texas at Arlington. From December 2007 to December 2008, Dr. Huang served as scientist at Synta Pharmaceuticals Corp. He then joined Sanofi, where he served from December 2008 to December 2016, first as senior scientist and later as senior manager. From January 2017 to December 2018, Dr. Huang served as senior manager at Boehringer Ingelheim, followed by a role as senior director at Xcovery from January 2019 to February 2020. From March 2020 to June 2021, Dr. Huang served as vice president at Zenshine Pharmaceuticals Inc.

Dr. Huang obtained a Ph.D. in analytical and organic chemistry from Nankai University (南開大學) in the PRC in July 1997 and an MBA from Rutgers Business School of Rutgers University in the United States in May 2021. Dr. Huang obtained the Regulatory Affairs Certification (RAC), a professional certification for regulatory professionals in the healthcare product sector, in December 2017.

Mr. Liu Yong (劉勇) has over 24 years of experience in clinical medicine. Mr. Liu joined Betta Pharmaceuticals, where he served as manager and later as director of the clinical medicine department from August 2006 to June 2016 and from August 2017 to June 2018, respectively. From July to December 2016, he served as senior director of the clinical medicine department at Chengdu Yuandong Biopharmaceutical Co., Ltd. (成都苑東生物製藥股份有限公司) (668513.SH). From November 2018 to June 2020, Mr. Liu served as director of the clinical medicine center at China National Biotec Group Company Limited (中國生物技術股份有限公司).

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu obtained a bachelor’s degree in clinical medicine from Wuhan University (武漢大學) in the PRC in June 2001.

Ms. Ren Zhenghua (任嶧華) is experienced in marketing, sales, and customer insights across the dermatology, autoimmune, and respiratory therapeutic areas. During her tenure at Sanofi (China) Investment Co., Ltd. (賽諾菲(中國)投資有限公司) from January 2020 to March 2023, Ms. Ren worked as marketing manager and was a member of the team responsible for the launch of dupilumab (Dupixent), the world’s first IL-4R α inhibitor, in Mainland China. From April 2023 to August 2023, she served as associate marketing director at AbbVie (Shanghai) Trading Co., Ltd. (艾伯維醫藥貿易(上海)有限公司), responsible for the marketing of upadacitinib (RINVOQ) in dermatology. Ms. Ren served as marketing director during her time at Keymed Biosciences Inc. (康諾亞生物醫藥科技有限公司) (02162.HK) from August 2023 to January 2025.

Ms. Ren obtained a bachelor’s degree in Chinese medicine from Tianjin University of Traditional Chinese Medicine (天津中醫藥大學) in the PRC in July 2000 and an MBA from The Open University in the United Kingdom in March 2023.

Mr. Song Liujun (宋留君) has over 20 years of experience in licensing, strategic alliances and global market expansion. He began his career as an international business assistant at Tofflon from July 2006 to March 2008, followed by a role as business manager at Fosun Pharma Group (復星醫藥集團) from March 2008 to December 2012. From January 2013 to May 2016, he served as senior manager at Shanghai CITIC Guojian Pharmaceutical Industry Co., Ltd. (上海中信國健藥業股份有限公司) (now known as Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業(上海)股份有限公司) (688336.SH)). From May 2016 to March 2019, he held the position of deputy general manager of international business department of Hansoh Pharma (豪森藥業). He then joined HBM Holdings Limited (和鈞醫藥控股有限公司) (02142.HK) as a director in March 2019 and was later promoted to senior business development director. From March 2023 to May 2025, Mr. Song served as vice president at METis Pharmaceuticals (劑泰醫藥).

Mr. Song obtained a bachelor’s degree in bioengineering from Henan University (河南大學) in the PRC in June 2003, a master’s degree in biopharmaceuticals from China Pharmaceutical University (中國藥科大學) in the PRC in June 2006 and an MBA from China Europe International Business School (中歐國際工商學院) in the PRC in November 2022.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules. From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare industry. However, as our non-executive Directors are not members of our executive management team and not involved in the daily operation of our Group, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from such other companies in which our non-executive Directors may hold directorships from time to time.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on September 18 and 19, 2025 and November 26, 2025, and (ii) understands his or her obligations as a director of a [REDACTED].

Each of our independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) save as otherwise disclosed in this document, he/she had no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company as of the Latest Practicable Date, and (iii) that there have been no other factors that might affect his/her independence at the time of his/her appointment.

Save as otherwise disclosed in this document there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders, and there was no information relating to our Directors or senior management that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

REMUNERATION OF OUR DIRECTORS, SUPERVISOR AND THE FIVE HIGHEST PAID INDIVIDUALS

The aggregate amount of emoluments (including salaries, wages and other benefits, contributions to defined contribution retirement plan and equity-settled share-based payment expenses) of our Directors for the two years ended December 31, 2025 and the three months ended March 31, 2026 amounted to RMB5.6 million, RMB7.2 million and RMB2.4 million, respectively. The aggregate amount of emoluments of our five highest paid individuals (excluding Directors) for the two years ended December 31, 2025 and the three months ended March 31, 2026 amounted to RMB2.8 million, RMB3.0 million and RMB1.4 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, excluding estimated share-based compensation, to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB10.5 million. The actual remuneration of our Directors in 2026 may be different from the expected remuneration set out above.

Save as disclosed above, no other payments have been paid, or are payable, by our Group to our Directors, supervisor or the five highest paid individuals during the Track Record Period. No remuneration was paid by our Company to, or receivable by, our Directors, supervisor or the five highest paid individuals as an inducement to join or upon joining our Company, or as compensation for loss of office in connection with the management positions of any member of our Group. During the Track Record Period, none of our Directors or supervisor waived any emoluments.

JOINT COMPANY SECRETARIES

Ms. Cheng Can (程燦) was appointed as a joint company secretary of our Company with effect from the [REDACTED]. She joined our Group in July 2025 and is currently serving as our securities affairs representative. Ms. Cheng has over six years of experience in mergers and acquisitions and capital markets transactions. From July 2019 to June 2025, she practiced law at T&C Law Firm and King & Wood Mallesons. Ms. Cheng obtained a bachelor's degree in laws from the China University of Political Science and Law (中國政法大學) in the PRC in July 2016 and a master's degree in laws from The London School of Economics and Political Science in the United Kingdom in December 2018. She obtained the Lawyer's Practice License (律師執業證) in November 2020.

Mr. Ho Pok Man (何博文) was appointed as a joint company secretary of our Company with effect from the [REDACTED]. Mr. Ho is currently a senior officer of the Listed Corporate Secretarial Department at SWCS Corporate Services Group (Hong Kong) Limited and is primarily responsible for company secretarial and compliance services for listed clients. He has approximately ten years of experience in company secretarial and human resources professions. Mr. Ho obtained a bachelor's degree in business administration from The Chinese University of Hong Kong (香港中文大學) and a master's degree in professional accounting and corporate governance from the City University of Hong Kong (香港城市大學). He is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CORPORATE GOVERNANCE

We have established three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee comprises one non-executive Director and two independent non-executive Directors,

DIRECTORS AND SENIOR MANAGEMENT

namely Ms. Wong Yan Ki, Angel (黃欣琪), Dr. Li Xiang (李湘) and Mr. Zhang Yincheng (張銀成), with Ms. Wong currently serving as the chairperson. Ms. Wong has the appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Dr. Liang Congxin (梁從新), Ms. Wong Yan Ki, Angel (黃欣琪) and Dr. Li Xiang (李湘), with Dr. Liang currently serving as the chairperson.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration Committee comprises one non-executive Director and two independent non-executive Directors, namely Dr. Li Xiang (李湘), Dr. Xu Haoxin (徐浩新) and Mr. Li Xianxian (李顯顯), with Dr. Li currently serving as the chairperson.

Corporate Governance Code

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code after the [REDACTED] save for the matter disclosed below.

Pursuant to code provision C.2.1 in Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have separate chairman of our Board and CEO, and Dr. Liang currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and CEO in the same person has the benefit of ensuring consistent leadership within our Group and enabling more effective and efficient overall strategic planning and execution of strategic initiatives for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and CEO at a time when it is appropriate taking into account the circumstances of our Group as a whole.

Diversity Policy

We are committed to promoting diversity within our Company to the extent practicable by taking into consideration a number of factors in respect of our corporate governance structure. We have adopted a diversity policy which sets out the objective and approach for achieving and maintaining the diversity of our Board and our workforce (including senior management). In accordance with the diversity policy, we seek to achieve Board diversity by taking into account a number of factors, including but not limited to gender, age, ethnicity, culture and educational background, professional experience, skills, knowledge and length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on our Board and also the specific needs of our Company without focusing on a single diversity aspect. We are also committed to promoting diversity within our workforce (including senior management) to enhance the effectiveness of our corporate governance as a whole.

DIRECTORS AND SENIOR MANAGEMENT

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as pharmaceutical research, drug discovery, corporate leadership, preclinical development, early clinical development, private equity, securities and venture capital investment, pharmaceutical and biotech, biochemistry, neurobiology, accounting, auditing, corporate finance and capital markets. They obtained degrees in various fields including inorganic chemistry, quantum chemistry, biochemistry, molecular biology, chemical engineering, industrial business administration, political economy, chemistry, science, neurobiology, business administration and accounting. Furthermore, our Board has a diverse age and gender representation with two female Directors and five male Directors ranging from 37 years old to 62 years old.

After the [REDACTED], we will from time to time discuss and agree on expected goals to ensure diversity, and review and, where necessary, update the diversity policy to ensure its continued effectiveness. We will report on the implementation of the diversity policy in our corporate governance report on an annual basis.

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme on September 9, 2025. For further information regarding the terms and information of the participants of the Employee Incentive Scheme, see “Appendix IV — Statutory and General Information — D. Employee Incentive Scheme.”

COMPLIANCE ADVISOR

We have appointed Rainbow Capital (HK) Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable laws and regulations.

The term of appointment of our Compliance Advisor will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future business plans.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] stated in this document, and assuming the [REDACTED] is not exercised.

We currently intend to apply these [REDACTED] from the [REDACTED] for the following purposes:

- (a) Approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the clinical development of our Core Product, TLL-018, of which:
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED], will be used for the ongoing Phase III clinical trial for TLL-018 in CSU in China. We initiated this Phase III clinical trial for TLL-018 in patients with moderate-to-severe CSU who had inadequate control to second generation H1-antihistamines in China in March 2024, with patient enrollment completed in July 2025. We expect to submit NDA to the NMPA in the first quarter of 2027.
 - (ii) Approximately [REDACTED]%, or HK\$[REDACTED], will be used for the ongoing Phase III clinical trial for TLL-018 in RA in China. We initiated this Phase III clinical trial for TLL-018 in patients with active RA who had inadequate response or intolerance to biologic DMARDs in China in November 2023, with patient enrollment completed in July 2025. We expect to submit NDA to the NMPA by the end of 2026.
 - (iii) Approximately [REDACTED]%, or HK\$[REDACTED], will be used for the planned clinical trial for TLL-018 in the treatment of AD in China. We submitted IND application to the NMPA for a Phase II/III registrational trial in AD in February 2026 and obtained the IND approval in May 2026. We expect to initiate the trial in China in the second quarter of 2026.
 - (iv) Approximately [REDACTED]%, or HK\$[REDACTED], will be used for the planned clinical trial for TLL-018 in the treatment of SLE in China. We plan to submit the clinical protocol to the NMPA in the first quarter of 2027 and, subject to regulatory approval, initiate this trial in the third quarter of 2027.

For details of TLL-018’s clinical development plan, see “Business — Our Autoimmune Franchise — TLL-018 (Girocitinib), Our Core Product — Clinical Development Strategy and Material Communications with Competent Authorities.”

- (b) Approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the ongoing and planned clinical trials of HL-400 in Parkinson’s disease. We received the IND approval for HL-400 from the FDA in April 2025, and initiated the Phase I clinical trial in the same month. In February 2026, we submitted a protocol amendment to the FDA by adding a cohort of obese subjects with inflammation for this trial, which became effective in March 2026 under the FDA’s implied approval process. As of the Latest Practicable Date, the Phase I trial is ongoing and we expect to complete it in the second quarter of 2026. Following the completion of the Phase I clinical trial in the United States, together with the IND approval from the NMPA for Parkinson’s disease in May 2026, we expect to develop HL-400 in Phase I PK bridging study in China in the third quarter of 2026, and further advance HL-400 into Phase II and III clinical stages for Parkinson’s disease. We also plan to initiate Phase I/II trials to assess HL-400’s therapeutic activity in both systemic inflammatory and CNS-related indications in the second half of 2026.

For details of HL-400’s clinical development plan, see “Business — Our Neurodegenerative Franchise — HL-400 — Clinical Development Plan.”

FUTURE PLANS AND USE OF [REDACTED]

- (c) Approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the planned clinical trials of HL-450 in acute gout and other peripheral diseases. We plan to submit our IND application for HL-450 to the NMPA in the third quarter of 2026 and initiate Phase I clinical trial following obtaining the IND approval.

For details of HL-450’s clinical development plan, see “Business — Our Autoimmune Franchise — HL-450.”

- (d) Approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the planned commercialization of TLL-018 after it is approved for sale. In anticipation of its commercialization in 2028, we plan to initially collaborate with qualified and experienced CSOs to promote and market TLL-018, capitalizing on their extensive sales networks and distribution channels to achieve rapid market coverage. Such CSOs engaged by us are expected to cover major provinces and municipalities in China and be primarily responsible for sales, promotion as well as educating the market the advantages of TLL-018.
- (e) Approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the exploration and discovery of new drug candidates in autoimmune and neurodegenerative franchises, including R&D activities such as medicinal chemistry, biological testing, studies on the absorption, distribution, metabolism and excretion (ADME) properties of drug candidates, pharmacology testings, among others.
- (f) Approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

The following table sets forth a breakdown of the use of [REDACTED] relating to TLL-018, HL-400 and HL-450 by geographical locations and implementation timeframe:

Use of [REDACTED]	Clinical Program	Jurisdiction	Current Stage	Allocated amount (HK\$ million)	% of Net [REDACTED]	Expected Development Stage and Estimated Timeline
TLL-018				[REDACTED]	[REDACTED]	
Clinical development in CSU	Phase III clinical trial in CSU	China	Phase III ongoing with patient enrollment and primary efficacy analysis completed	[REDACTED]	[REDACTED]	Expected NDA submission in Q1 2027
Clinical development in RA	Phase III clinical trial in RA	China	Phase III ongoing with patient enrollment completed	[REDACTED]	[REDACTED]	Expected NDA submission by the end of 2026
Clinical development in AD	Planned Phase II/III clinical trial in AD	China	IND approval for Phase II/III trial in May 2026	[REDACTED]	[REDACTED]	Expected trial initiation in Q2 2026
Clinical development in SLE	Planned clinical trial in SLE	China	IND approval in August 2023	[REDACTED]	[REDACTED]	Expected trial initiation in Q3 2027
HL-400				[REDACTED]	[REDACTED]	

FUTURE PLANS AND USE OF [REDACTED]

Use of [REDACTED]	Clinical Program	Jurisdiction	Current Stage	Allocated amount (HK\$ million)	% of Net [REDACTED]	Expected Development Stage and Estimated Timeline
Clinical development in Parkinson’s disease . . .	Planned Phase I PK bridging study in Parkinson’s disease	China	IND approval in May 2026	[REDACTED]	[REDACTED]	Expected trial initiation in Q3 2026
	Planned Phase II clinical trial in Parkinson’s disease	China		[REDACTED]	[REDACTED]	Expected trial initiation in Q1 2027
	Planned Phase III clinical trial in Parkinson’s disease	China		[REDACTED]	[REDACTED]	Expected trial initiation in 2028
Drug interaction trials in systemic inflammatory and CNS-related indications	Planned Phase I/II combined clinical trials	China	Pre-IND	[REDACTED]	[REDACTED]	Expected trial initiation in H2 2026
HL-450				[REDACTED]	[REDACTED]	
IND submission for acute gout	IND-enabling studies	China	Pre-IND	[REDACTED]	[REDACTED]	Expected IND submission in Q1 2027
Clinical development in acute gout	Planned Phase I clinical trial in acute gout	China	Pre-IND	[REDACTED]	[REDACTED]	Expected trial initiation in H1 2027
	Planned Phase Ib/IIa clinical trial in acute gout	China		[REDACTED]	[REDACTED]	Expected trial initiation in Q4 2027
	Planned Phase II clinical trial in acute gout	China		[REDACTED]	[REDACTED]	Expected trial initiation in 2029

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the [REDACTED] range stated in this document. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the [REDACTED], the [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the [REDACTED], the [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED].

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purposes in the proportions stated above.

To the extent that the [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit the [REDACTED] in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[●], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[Letterhead of KPMG]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 杭州高光製藥股份有限公司 (HANGZHOU HIGHLIGHTLL PHARMACEUTICAL CO., LTD.*), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of 杭州高光製藥股份有限公司 (Hangzhou Highlightll Pharmaceutical Co., Ltd.*) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-[●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and 31 March 2026 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2026 (the “Relevant Periods”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

* For identification purpose only

APPENDIX I

ACCOUNTANTS’ REPORT

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at 31 December 2024 and 2025 and 31 March 2026, and of the Group’s financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months period ended 31 March 2025 and other explanatory information (the “Stub Period Corresponding Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 23(d) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

[●]

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	Note	Year ended 31 December		Three months ended 31 March	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	4	—	107,379	—	—
Cost of sales		—	—	—	—
Gross profit		—	107,379	—	—
Research and development expenses		(127,288)	(150,786)	(24,827)	(37,051)
Administrative expenses		(13,569)	(33,589)	(3,278)	(7,721)
Other net income/(loss)	5	6,366	20,351	10,090	(981)
Finance costs	6(a)	(120)	(94)	(14)	(15)
Changes in fair value of financial instruments issued to investors	6(c)	(93,962)	(154,879)	(27,023)	(27,765)
Changes in fair value of other financial instruments	6(c)	3,320	(100,961)	(54,642)	412
Loss before taxation	6	(225,253)	(312,579)	(99,694)	(73,121)
Income tax	7	(1,118)	94	—	—
Loss for the year/period attributable to equity shareholders of the Company		<u>(226,371)</u>	<u>(312,485)</u>	<u>(99,694)</u>	<u>(73,121)</u>
Other comprehensive income for the year/period (net of tax)					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of a foreign subsidiary, net of nil tax . . .		71	(148)	(14)	(77)
Total comprehensive income for the year/period attributable to equity shareholders of the Company		<u>(226,300)</u>	<u>(312,633)</u>	<u>(99,708)</u>	<u>(73,198)</u>
Loss per share					
Basic and diluted (RMB).	10	(12.45)	(15.98)	(5.29)	(3.43)

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

		At 31 December	At 31 December	At 31 March
	Note	2024	2025	2026
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	10,307	8,391	8,008
Right-of-use assets	12	3,004	1,833	1,512
Intangible assets		91	59	51
		<u>13,402</u>	<u>10,283</u>	<u>9,571</u>
Current assets				
Prepayments and other receivables	14	16,411	16,941	17,942
Financial assets at fair value through profit or loss (“FVPL”)	15	164,404	145,055	100,397
Time deposits		–	2,142	–
Cash and cash equivalents	16	<u>170,183</u>	<u>254,636</u>	<u>255,778</u>
		<u>350,998</u>	<u>418,774</u>	<u>374,117</u>
Current liabilities				
Trade and other payables	17	33,661	60,462	54,768
Lease liabilities	18	1,167	1,377	1,328
Income tax payables	20	1,118	–	–
Financial instruments issued to investors	21	<u>841,762</u>	<u>1,178,641</u>	<u>1,206,406</u>
		<u>877,708</u>	<u>1,240,480</u>	<u>1,262,502</u>
Net current liabilities		<u>(526,710)</u>	<u>(821,706)</u>	<u>(888,385)</u>
Total assets less current liabilities		<u>(513,308)</u>	<u>(811,423)</u>	<u>(878,814)</u>
Non-current liabilities				
Lease liabilities	18	1,341	126	90
Deferred income	19	<u>15,168</u>	<u>26,570</u>	<u>30,780</u>
		<u>16,509</u>	<u>26,696</u>	<u>30,870</u>
NET LIABILITIES		<u>(529,817)</u>	<u>(838,119)</u>	<u>(909,684)</u>
CAPITAL AND RESERVES				
Paid-in capital/share capital	23	18,799	21,296	21,296
Reserves		<u>(548,616)</u>	<u>(859,415)</u>	<u>(930,980)</u>
TOTAL DEFICITS		<u>(529,817)</u>	<u>(838,119)</u>	<u>(909,684)</u>

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in Renminbi)

		At 31 December 2024 RMB'000	At 31 December 2025 RMB'000	At 31 March 2026 RMB'000
	Note			
Non-current assets				
Property, plant and equipment	11	10,296	8,387	8,004
Right-of-use assets	12	2,819	1,717	1,413
Intangible assets		91	59	51
Interests in subsidiaries	13	45,464	45,464	45,464
		58,670	55,627	54,932
Current assets				
Prepayments and other receivables	14	33,735	34,090	35,104
Financial assets at FVPL	15	164,404	145,055	100,397
Cash and cash equivalents	16	163,220	251,645	246,123
		361,359	430,790	381,624
Current liabilities				
Trade and other payables	17	73,729	96,589	85,703
Lease liabilities	18	1,104	1,313	1,264
Financial instruments issued to investors	21	841,762	1,178,641	1,206,406
		916,595	1,276,543	1,293,373
Net current liabilities		(555,236)	(845,753)	(911,749)
Total assets less current liabilities		(496,566)	(790,126)	(856,817)
Non-current liabilities				
Lease liabilities	18	1,220	71	52
Deferred income	19	15,168	26,570	30,780
		16,388	26,641	30,832
NET LIABILITIES		(512,954)	(816,767)	(887,649)
CAPITAL AND RESERVES				
Paid-in capital/share capital	23	18,799	21,296	21,296
Reserves		(531,753)	(838,063)	(908,945)
TOTAL DEFICITS		(512,954)	(816,767)	(887,649)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Renminbi)

	Note	Paid-in capital/share capital	Capital reserve	Other reserve	Exchange reserve	Accumulated losses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024 .		17,470	358,651	(394,983)	(578)	(284,567)	(304,007)
Changes in equity for 2024:							
Total comprehensive income for the year		–	–	–	71	(226,371)	(226,300)
Capital contributions by investors	23(b)	1,329	128,971	–	–	–	130,300
Recognition of financial instruments issued to investors	21	–	–	(130,300)	–	–	(130,300)
Equity-settled share-based payments	22	–	490	–	–	–	490
Balance at 31 December 2024 and 1 January 2025 .		18,799	488,112	(525,283)	(507)	(510,938)	(529,817)
Changes in equity for 2025:							
Total comprehensive income for the year		–	–	–	(148)	(312,485)	(312,633)
Capital contributions by investors	23	2,497	180,394	–	–	–	182,891
Recognition of financial instruments issued to investors	21	–	–	(182,000)	–	–	(182,000)
Conversion into a joint stock company	23(c)	–	(220,433)	–	–	220,433	–
Equity-settled share-based payments	22	–	3,440	–	–	–	3,440
Balance at 31 December 2025 and 1 January 2026 .		<u>21,296</u>	<u>451,513</u>	<u>(707,283)</u>	<u>(655)</u>	<u>(602,990)</u>	<u>(838,119)</u>
Changes in equity for the three months ended 31 March 2026:							
Total comprehensive income for the period		–	–	–	(77)	(73,121)	(73,198)
Equity-settled share-based payments	22	–	1,633	–	–	–	1,633
Balance at 31 March 2026 .		<u>21,296</u>	<u>453,146</u>	<u>(707,283)</u>	<u>(732)</u>	<u>(676,111)</u>	<u>(909,684)</u>
(Unaudited)							
Balance at 1 January 2025 .		18,799	488,112	(525,283)	(507)	(510,938)	(529,817)
Changes in equity for the three months ended 31 March 2025:							
Total comprehensive income for the period		–	–	–	(14)	(99,694)	(99,708)
Capital contributions by investors	23	204	19,796	–	–	–	20,000
Recognition of financial instruments issued to investors	21	–	–	(20,000)	–	–	(20,000)
Equity-settled share-based payments	22	–	221	–	–	–	221
Balance at 31 March 2025 .		<u>19,003</u>	<u>508,129</u>	<u>(545,283)</u>	<u>(521)</u>	<u>(610,632)</u>	<u>(629,304)</u>

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Renminbi)

	Note	Year ended 31 December		Three months ended 31 March	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Operating activities					
Cash used in operations.	16(b)	(119,420)	(9,872)	(26,884)	(44,378)
Income tax paid		—	(1,233)	(1,118)	—
Net cash used in operating activities.		<u>(119,420)</u>	<u>(11,105)</u>	<u>(28,002)</u>	<u>(44,378)</u>
Investing activities					
Payment for the purchase of property, plant and equipment		(4,799)	(982)	(75)	(332)
Payment for purchase of financial assets measured at FVPL		(111,000)	(210,000)	(55,000)	—
Proceeds from disposal and redemptions of financial assets measured at FVPL		199,164	127,112	46,124	45,070
Payment for purchase of time deposits		—	(4,686)	(763)	—
Proceeds from redemptions of time deposits		728	2,544	754	2,142
Others		—	1,618	—	2
Net cash generated from/(used in) investing activities.		<u>84,093</u>	<u>(84,394)</u>	<u>(8,960)</u>	<u>46,882</u>
Financing activities					
Capital contributions by investors	23	130,300	182,891	20,000	—
Payment for capital element of leases liabilities.	16(c)	(1,712)	(1,273)	(52)	(83)
Payment for interest element of leases liabilities.	16(c)	(120)	(94)	(14)	(15)
Payment for [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash generated from/(used in) financing activities.		<u>128,468</u>	<u>180,095</u>	<u>19,934</u>	<u>(1,286)</u>
Net increase/(decrease) in cash and cash equivalents		<u>93,141</u>	<u>84,596</u>	<u>(17,028)</u>	<u>1,218</u>
Effects of foreign exchange rate changes.		<u>66</u>	<u>(143)</u>	<u>(13)</u>	<u>(76)</u>
Cash and cash equivalents at the beginning of the year/period.		<u>76,976</u>	<u>170,183</u>	<u>170,183</u>	<u>254,636</u>
Cash and cash equivalents at the end of the year/period		<u>170,183</u>	<u>254,636</u>	<u>153,142</u>	<u>255,778</u>

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Hangzhou Highlightll Pharmaceutical Co., Ltd.* (杭州高光製藥股份有限公司) (formerly known as 杭州高光製藥有限公司) (the “Company”) was established in Hangzhou, Zhejiang Province, the People’s Republic of China (the “PRC”) in December 2017 as a company with limited liability. Upon the approval by the Company’s board meeting, the Company was converted from a company with limited liability into a joint stock company with limited liability in September 2025.

The Company and its subsidiaries (together, “the Group”) are principally engaged in research and development (“R&D”) of therapies in autoimmune and neurodegenerative diseases.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The statutory financial statements of the Company for the years ended 31 December 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the “PRC GAAP”) and audited by Pan-China Certified Public Accountants LLP* (天健會計師事務所(特殊普通合夥)).

As at 31 March 2026, the Company has direct or indirect interests in the following subsidiaries, both of which are private and limited liability companies:

Company name	Place and date of incorporation/ establishment	Particulars of registered and paid-up capital	Proportion of ownership interest		Principal activities
			Directly held by the Company	Indirectly held by the Company	
HIGHLIGHTLL PHARMACEUTICAL (USA) LLC (i)	The United States of America (“United States”) 17 May 2018	US\$4,099,999	100.00%	–	Coordinate R&D activities
Gaoguang Pharmaceutical (Hainan) Co., Ltd.* 高光製藥(海南)有限公司 (i)	The PRC 8 January 2021	RMB30,000,000	100.00%	–	Research and development of drugs

Notes:

(i) No audited financial statements have been prepared during the Relevant Periods.

* The English translation of all above companies is for reference only. The official names of the companies established in the PRC are in Chinese.

All companies comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group had net liabilities and net current liabilities of RMB909,684,000 and RMB888,385,000, respectively as at 31 March 2026, which is primarily due to the significant carrying amount of financial instrument issued to investors of RMB1,206,406,000, arising from the financing with rights of redemption feature. Pursuant to a supplemental agreement entered into by the Company with, among others, the then shareholders of the Company in September 2025, the rights with redemption feature will be terminated immediately upon the completion of the [REDACTED] by the Company. The directors of the Company further assessed and satisfied that the Group has sufficient working capital to meet its present obligations, for at least the next 12 months from 31 March 2026. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards, which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (the “HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Further details of the material accounting policy information adopted are set out in Note 2.

The HKICPA has issued a number of new and revised HKFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised HKFRS Accounting Standards to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Periods are set out in Note 27.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets and liabilities are stated at their fair value as explained in the accounting policies as set out in Notes 2(d) and 2(m).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)(ii)).

(d) Other investments in securities

The Group’s policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 24(f). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(q)(ii)(a)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- fair value through other comprehensive income (“FVOCI”) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income (“OCI”). When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

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- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) *Equity investments*

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(q)(ii)(c)).

(e) **Property, plant and equipment**

Property, plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(g)), are stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Vehicle	5 years
Equipment	3 - 10 years
Leasehold improvements	Shorter of useful lives or lease term
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) **Intangible assets**

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(h)(ii)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Software	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

(g) **Leased assets**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

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Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(e) and 2(h)(ii)). Depreciation is calculated using the straight line method over the unexpired term of lease.

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(d)(i), 2(q)(ii)(a) and 2(h)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(h)(i)).

Payment made in advance of receiving the related services is recognised as prepayment.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(h)(i)).

(l) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(m) Financial instruments issued to investors with preferred rights

A contract that contains an obligation to purchase the Company’s equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Company’s obligations to purchase is conditional on the counterparty exercising a right to redeem, the financial instruments issued to investors with preferred rights are recognised as financial liability initially at the present value of the redemption amount. Subsequently, any changes in the carrying amount of the financial liabilities are recorded in “changes in the fair value of financial instruments issued to investors” in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The carrying amount of the financial instruments derecognised was credited into the equity.

(n) Employee benefits

(i) *Short term employee benefits and contributions to defined contribution retirement plans*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) *Share-based payments*

The fair value of share-based payment awards granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is measured at grant date by reference to the market price or the valuer’s valuation of the underlying shares. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total estimated fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of equity-settled share-based payments award that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of equity-settled share-based payments award that vest (with a corresponding adjustment to the capital reserve), except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company’s shares. The equity amount is recognised in the capital reserve until either the equity-settled share-based payments award is exercised (when it is included in the amount recognised in share capital for the shares issued) or the equity-settled share-based payments award expires (when it is released directly to retained profits).

(iii) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(o) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(p) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(q) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group’s ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Revenue from license and collaboration agreements

The Group grants licenses of its intellectual property (the “License”) to its customers. The consideration for the License comprises a fixed element (the up-front payment) and variable elements (including but not limited to development milestones, sales-based milestones and sales-based royalties). The upfront fees are recognised as revenue when customers obtain rights to access the technology. Development milestone payments and sales-based milestones payment are included in the transaction price and recognised as revenue throughout the license period when it is highly probable that there will not be a subsequent reversal of a significant amount of revenue. Sales-based royalties are not included in the transaction price until customers make the sales.

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(b) *Revenue from provision of research and development services*

The Group recognised the revenue from provision of research and development services at a point in time when the customers accept and can benefit from such services.

(ii) *Revenue from other sources and other income*

(a) *Interest income*

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and subsequently recognised in profit or loss over the useful life of the asset.

(c) *Dividends*

Dividend income is recognised in profit or loss on the date on which the Group’s right to receive payment is established.

(r) **Translation of foreign currencies**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rate at the date of the transaction.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

(s) **Related parties**

(a) A person, or a close member of that person’s family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group’s parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).

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- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

For the purpose of resource allocation and performance assessment, the Group’s most senior executive management, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence. During the Relevant Periods, the Group has only one reportable segment which is engaged in the research and development of drugs.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgement in applying the Group’s accounting policies

In the process of applying the Group’s accounting policies, management has made the following accounting judgements:

(i) Revenue recognition

Identification of performance obligations under contracts

A good or service that is promised to a customer is distinct if both of the following criteria are met: (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer; and (b) the entity’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

In assessing whether a license is distinct from the other promises, the Group considers factors such as the research, development, manufacturing and commercialisation capabilities of the customer and the availability of the associated expertise in the general marketplace. In addition, the Group considers whether the customer can benefit from a license for its intended purpose without the receipt of the remaining promises by considering whether the value of the license is dependent on the unsatisfied promises, whether there are other vendors that could provide the remaining promises, and whether it is separately identifiable from the remaining promises.

Estimation of variable consideration

The consideration within the contracts includes variable consideration such as milestone payments and sales-based royalties. The Group determines the amount of milestone payments by using either the expected value or the most likely amount based on which method better predicts the amount of consideration to which it will be entitled. The Group assesses whether the milestones are considered highly probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. In making these assessments, the Group considers various factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve a particular milestone. For sales-based royalties, the Group recognises revenue when the occurrence of the subsequent sales.

(ii) Research and development expenses

Development expenses incurred on the Group’s pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group’s intention to complete and the Group’s ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalisation. All development expenses were expensed when incurred during the Relevant Periods.

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(b) Key sources of estimation uncertainty

Notes 22 and 24(f) contains information about the assumptions and risk factors relating to fair value of equity-settled share-based transactions and other financial assets and financial liabilities. Other key sources of estimation uncertainty are as follows:

(i) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors of the Company. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

(ii) Fair value of the financial instruments issued to investors

The fair value of the financial instruments issued to investors is determined by using valuation techniques, including the back-solve method, discount cash flow method and the equity allocation model. Such valuation required the Group to make estimate of the key assumptions including the risk-free rate, discounts for lack of marketability (“DLOM”) and volatility, which are subject to uncertainty. Further details are included in Note 21.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major types is as follows:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15				
Revenue from license and collaboration agreements (Note 4(a)(ii))	–	107,379	–	–
	=	=	=	=

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Disaggregated by timing of revenue recognition				
Point in time	–	107,379	–	–
	=	=	=	=

Revenue from each major customer which accounted for 10% or more of the Group’s revenue during the Relevant Periods is set out below:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Biohaven Ltd. (“Biohaven”)	–	107,379	–	–
	=	=	=	=

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(ii) *License and collaboration agreements*

During the Relevant Periods, the Group entered into several license and collaboration agreements with certain customers. Under the terms of these agreements, the Group agreed to grant license of certain intellectual properties to the relevant customers. The considerations of these agreements generally consist of non-refundable up-front payment and variable considerations including milestone payments and royalties on net sales of the licensed products.

TLL-041

In 2023, the Group entered into the license and collaboration agreement and amendments (collectively the “Biohaven Agreement”) with Biohaven, pursuant to which, the Group granted Biohaven the research, development and manufacturing rights and exclusive commercialisation rights outside China, and the Group is eligible to receive a one-time, non-refundable up-front payment including a cash consideration of US\$10,000,000 (equivalents to RMB71,126,000) and 721,136 ordinary shares of Biohaven (which fair value is US\$21,377,000 (equivalents to RMB152,128,000) at the date of the issuance), milestone payments dependent on clinical development and/or regulatory approval and royalties upon the achievement of specified sales-based milestones.

In July 2025, the Group entered into a supplemental agreement with Biohaven, pursuant to which, (i) Biohaven shall conduct the global clinical trial of TLL-041, including China, at its own cost and the Group serves as a local agent in China for the global clinical trial; (ii) Biohaven shall submit the marketing approval application in China at our request, and upon approval in China, Biohaven will transfer the marketing authorisation to the Group; and (iii) the Group’s royalty ratio is adjusted.

The Group concludes that it has a single performance obligation, being the grant of “right to use” licenses under the Biohaven Agreement in accordance with the accounting policies set out in Note 2(q)(i)(a). The consideration of the licenses comprises a fixed element (the up-front payment) and variable elements (the milestone payments and the royalties). The up-front payment is recognised at a point in time upon the transfer of the licenses. The transaction price should be re-assessed at each reporting date. The Group will include the milestone payments in the total estimated transaction price when it is highly probable that the resulting revenue recognised would not have to be reversed in a future period. The Group applies the exception for variable consideration related to sales-based royalties received in exchange for licences. Royalties are not included in the transaction price until Biohaven makes the relevant sales.

In 2023, the Group transferred the licenses to Biohaven and Biohaven fully settled the up-front payment. The Group recorded revenue of RMB223,254,000 in 2023.

In 2024, no revenue was recognised under the Biohaven Agreement.

In 2025, the Group recorded revenue of US\$15,000,000 (equivalents to RMB107,379,000) in 2025 in relation a development milestone.

For the three months period ended 31 March 2025 and 2026, no revenue was recognised under the Biohaven Agreement.

License out of TLL-009

In July 2023, the Group entered into a license and collaboration agreement (the “TLL-009 License Agreement”) with Shanghai Tenovation Biopharmaceutical Co., Ltd. (上海建毅騰創生物醫藥科技有限公司) (“Tenovation”) pursuant to which, the Group granted Tenovation the worldwide research, development and manufacturing rights and exclusive commercialisation rights and the Group is eligible to receive a non-refundable up-front payment of RMB2,000,000, up to RMB28,000,000 milestone payments dependent on clinical development and regulatory approval and the low two digital percentage of royalties on net sales of the licensed products.

The Group concludes that it has a single performance obligation, being the grant of “right to use” licences under the TLL-009 License Agreement. In 2023, the Group transferred the licenses to Tenovation and received the up-front payment. Accordingly, the Group recorded revenue of RMB2,000,000 in 2023.

For the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026, no revenue was recognised under the TLL-009 License Agreement.

(b) **Segment reporting**

(i) *Segment information*

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group’s chief operating decision maker is the chief executive officer of the Group who reviews the Group’s consolidated results of operations in assessing performance of and making decisions about allocations to this segment.

Accordingly, no reportable segment information is presented.

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(ii) Geographic information

The following table sets out information about the geographical location of the Group’s revenue from external customers. The geographical location of customers is based on the location at which the customers are registered.

	Revenues from external customers			
	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
United States	–	107,379	–	–
	=	=	=	=

The majority of the Group’s non-current assets were located in the PRC.

5 OTHER NET INCOME/(LOSS)

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Government grants (i)	1,233	18,262	8,965	229
Interest income on bank deposits	3,704	7,149	1,289	1,838
Net exchange (loss)/gain	1,421	(5,037)	(163)	(3,048)
Others	8	(23)	(1)	–
	<u>6,366</u>	<u>20,351</u>	<u>10,090</u>	<u>(981)</u>

(i) Government grants primarily comprise subsidies from government for the encouragement of the research and development activities.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Interest on lease liabilities	<u>120</u>	<u>94</u>	<u>14</u>	<u>15</u>

(b) Staff costs

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Salaries, wages and other benefits	34,977	38,839	9,979	10,278
Contributions to defined contribution retirement plan (i)	2,773	3,505	819	1,018
Equity-settled share-based payment expenses (Note 22).	<u>490</u>	<u>3,440</u>	<u>221</u>	<u>1,633</u>
	<u>38,240</u>	<u>45,784</u>	<u>11,019</u>	<u>12,929</u>

(i) Pursuant to the relevant labor rules and regulations in the PRC, the Company and its subsidiaries in the PRC are required to participate in defined contribution retirement benefit schemes (the “Schemes”) organised by the local government authorities whereby the Company and its subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee’s salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

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(c) Other items

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Changes in fair value of ordinary shares of Biohaven	(1,239)	102,838	54,785	—
Changes in fair value of financial assets at FVPL	(2,081)	(259)	(143)	(412)
Changes in fair value of options	—	(1,618)	—	—
Changes in fair value of other financial instruments	(3,320)	100,961	54,642	(412)
Changes in fair value of financial instruments issued to investors (<i>Note 21</i>)	93,962	154,879	27,023	27,765
Depreciation of property, plant and equipment (<i>Note 11</i>)	2,042	2,783	687	677
Depreciation of right-of-use assets (<i>Note 12</i>)	1,261	1,492	361	320
Amortisation of intangible assets . . .	33	32	8	8
Research and development expenses (<i>i</i>)	127,288	150,786	24,827	37,051
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(i) During the years ended 31 December 2024 and 2025 and the three months ended 31 March 2025 and 2026, research and development expenses include staff costs, depreciation and amortisation expenses of RMB26,648,000, RMB39,723,000, RMB9,659,000 (Unaudited) and RMB10,419,000 respectively, in which the respective amounts are also disclosed separately above.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income:

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current tax — the United States				
Provision for the year/period	1,118	—	—	—
Over-provision in respect of prior years/periods	—	(94)	—	—
	1,118	(94)	—	—
	<u>1,118</u>	<u>(94)</u>	<u>—</u>	<u>—</u>

(i) The PRC

The Company entitled to a preferential income tax rate of 15% as they are certified as “High and New Technology Enterprise” (“HNTE”). According to Guoshuihan 2009 No. 203, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

The Company’s subsidiaries established and operated in the PRC are subject to the PRC corporate income tax at the rate of 25%.

According to the tax incentive policies promulgated by the State Tax Bureau of the PRC in September 2022, an additional 100% of qualified research and development expenses incurred for the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026 is allowed to be deducted from taxable income.

(ii) United States corporate income tax

Pursuant to the income tax rules and regulations of the United States, the Group’s subsidiary in the United States was liable to the United States federal income tax at a rate of 21% and the minimum state income tax at the applicable tax rate.

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(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Loss before taxation	(225,253)	(312,579)	(99,694)	(73,121)
Notional tax on loss before taxation, calculated at the rates applicable to losses in the jurisdictions concerned.	(56,965)	(78,010)	(24,903)	(18,296)
Effect of the PRC preferential tax rate	24,092	30,815	9,885	7,252
Effect of non-deductible expenses . . .	255	578	46	257
Effect of additional deduction for research and development expenses .	(14,820)	(22,160)	(3,610)	(5,477)
Effect of changes in fair value of financial instruments issued to investors	14,094	23,232	4,053	4,165
Effect of the utilisation of the accumulative tax losses	(2,298)	—	—	—
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this year/period	36,760	45,545	14,529	12,099
Over-provision in respect of prior years/periods	—	(94)	—	—
Actual tax expense	1,118	(94)	—	—

(c) Deferred tax assets not recognised:

As at 31 December 2024 and 2025 and 31 March 2026, the Group has not recognised deferred tax assets of certain entities in respect of their cumulative tax losses of RMB526,595,000, RMB708,556,000 and RMB778,478,000, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. As at 31 March 2026, the cumulative tax losses of RMB5,382,000 incurred by a subsidiary in the United States, could be carried forward indefinitely. The rest of the cumulative tax losses were incurred by the subsidiaries in the PRC, of which RMB13,674,000 will expire in 5 years and RMB759,422,000 will expire in 10 years.

8 DIRECTORS’ EMOLUMENTS

Directors’ emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 December 2024						
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments [#]	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors							
Liang Congxin (梁從新) (i) .	—	1,594	356	10	1,960	354	2,314
Tang Wei (唐煒) (i)	—	1,114	198	45	1,357	95	1,452
Huang Junmin (黃君璿) (iii)	—	1,730	—	63	1,793	28	1,821
Li Xianxian (李顯顯) (vii) .	—	—	—	—	—	—	—
Yuan Quanhong (苑全紅) (v)	—	—	—	—	—	—	—
Pan Xiaogang (潘曉剛) (iii)	—	—	—	—	—	—	—
Niu Xinle (牛新樂) (ii) & (iii)	—	—	—	—	—	—	—
Independent directors							
Li Xiang (李湘) (vii)	—	—	—	—	—	—	—
Xu Haoxin (徐浩新) (ii) . . .	—	—	—	—	—	—	—
Supervisor							
Ma Xiaolin (馬曉琳) (iii) . .	—	588	144	45	777	50	827
	—	5,026	698	163	5,887	527	6,414
	—	—	—	—	—	—	—

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Year ended 31 December 2025

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments [#]	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Liang Congxin (梁從新) (i)	–	1,618	300	24	1,942	2,402	4,344
Tang Wei (唐煒) (i)	–	1,188	182	51	1,421	95	1,516
Huang Junmin (黃君璿) (iii)	–	1,162	40	44	1,246	84	1,330
Li Xianxian (李顯顯) (vii)	–	–	–	–	–	–	–
Yuan Quanhong (苑全紅) (v)	–	–	–	–	–	–	–
Zhang Yincheng (張銀成) (vi)	–	–	–	–	–	–	–
Pan Xiaogang (潘曉剛) (iii)	–	–	–	–	–	–	–
Niu Xinle (牛新樂) (ii) & (iii)	–	–	–	–	–	–	–
Independent directors							
Wong Yan Ki (黃欣琪) (iv)	–	–	–	–	–	–	–
Li Xiang (李湘) (vii)	–	–	–	–	–	–	–
Xu Haoxin (徐浩新) (ii)	–	–	–	–	–	–	–
Supervisor							
Ma Xiaolin (馬曉琳) (iii)	–	401	67	34	502	33	535
	–	4,369	589	153	5,111	2,614	7,725
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

Three months ended 31 March 2025 (Unaudited)

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments [#]	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Liang Congxin (梁從新) (i)	–	405	75	6	486	87	573
Tang Wei (唐煒) (i)	–	297	45	13	355	24	379
Huang Junmin (黃君璿) (iii)	–	436	–	14	450	7	457
Li Xianxian (李顯顯) (vii)	–	–	–	–	–	–	–
Yuan Quanhong (苑全紅) (v)	–	–	–	–	–	–	–
Pan Xiaogang (潘曉剛) (iii)	–	–	–	–	–	–	–
Niu Xinle (牛新樂) (ii) & (iii)	–	–	–	–	–	–	–
Independent directors							
Li Xiang (李湘) (vii)	–	–	–	–	–	–	–
Xu Haoxin (徐浩新) (ii)	–	–	–	–	–	–	–
Supervisor							
Ma Xiaolin (馬曉琳) (iii)	–	150	21	13	184	12	196
	–	1,288	141	46	1,475	130	1,605
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

Three months ended 31 March 2026

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments [#]	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Liang Congxin (梁從新) (i)	–	417	75	15	507	1,543	2,050
Tang Wei (唐煒) (i)	–	324	50	13	387	10	397
Li Xianxian (李顯顯) (vii)	–	–	–	–	–	–	–
Zhang Yincheng (張銀成) (vi)	–	–	–	–	–	–	–
Independent directors							
Wong Yan Ki (黃欣琪) (iv)	–	–	–	–	–	–	–
Li Xiang (李湘) (vii)	–	–	–	–	–	–	–
Xu Haoxin (徐浩新) (ii)	–	–	–	–	–	–	–
	–	741	125	28	894	1,553	2,447
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

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Notes:

- (i) Liang Congxin (梁從新) and Tang Wei (唐煒) will be re-designated as executive directors of the Company with effect from the [REDACTED].
- (ii) Niu Xinle (牛新樂) and Xu Haoxin (徐浩新) were appointed as a director and an independent director of the Company, respectively in May 2024.
- (iii) Huang Junmin (黃君璿), Pan Xiaogang (潘曉剛) and Niu Xinle (牛新樂) resigned as the directors of the Company, respectively and Ma Xiaolin (馬曉琳) resigned as the supervisor in September 2025.
- (iv) Wong Yan Ki (黃欣琪) was appointed as an independent director in September 2025 and will be re-designated as an independent non-executive director of the Company with effect from the [REDACTED].
- (v) Yuan Quanhong (苑全紅) resigned as the director of the Company in October 2025.
- (vi) Zhang Yincheng (張銀成) was appointed as a director in October 2025 and will be re-designated as a non-executive director of the Company with effect from the [REDACTED].
- (vii) Li Xianxian (李顯顯) and Li Xiang (李湘) will be re-designated as a non-executive director and an independent non-executive director of the Company with effect from the [REDACTED], respectively.
- (viii) For the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026, no director of the Company has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.
- # These represent the estimated value of the equity-settled share-based awards (Note 22) granted to the directors and supervisor of the Company. The value of these equity-settled share-based payment transactions is measured according to the Group’s accounting policy for share-based payment transactions as set out in Note 2(n)(ii). The details of the equity-settled share-based payment transactions, including the principal arrangements are disclosed in Note 22.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the five individuals with the highest emoluments of the Group for the years ended 31 December 2024 and 2025 and the three months period ended 31 March 2025 and 2026, three, three, three (Unaudited) and two are directors whose emoluments are disclosed in Note 8 and the emoluments in respect of the remaining two, two, two (Unaudited) and three individuals during the Relevant Periods are as follows:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Salaries, allowance and benefits in kind	2,473	2,146	537	1,095
Discretionary bonuses	182	699	119	182
Retirement scheme contributions	97	63	16	39
Equity-settled share-based payments	57	57	14	99
	<u>2,809</u>	<u>2,965</u>	<u>686</u>	<u>1,415</u>

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Hong Kong dollars (“HK\$”) 1 –				
HK\$500,000	–	–	2	1
HK\$500,001 – HK\$1,000,000	–	–	–	2
HK\$1,000,001 – HK\$1,500,000	1	–	–	–
HK\$1,500,001 – HK\$2,000,000	1	2	–	–

For the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026, no amounts were paid or payable by the Group to the above non-director highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

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10 LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share during the Relevant Periods is based on the loss for the year/period attributable to ordinary equity shareholders of the Company divided by the weighted average number of ordinary shares in issue or deemed to be in issue.

As set out in Note 23(c), the Company was converted into a joint stock limited company and 19,894,466 ordinary shares with a nominal value of RMB1.0 were issued in September 2025. For the purpose of computing basic loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock company was determined assuming the conversion had occurred since 1 January 2024, at the conversion ratio established in September 2025.

The weighted average number of shares mentioned in Note 10(a)(ii) have not considered the impact of the share subdivision as disclosed in Note 23(c).

(i) Loss for the year/period attributable to ordinary equity shareholders of the Company

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Loss for the year/period attributable to all equity shareholders of the Company	(226,371)	(312,485)	(99,694)	(73,121)
Allocation of loss for the year/period attributable to financial instruments issued to investors	119,151	167,564	54,158	40,499
Loss for the year/period attributable to ordinary equity shareholders of the Company	<u>(107,220)</u>	<u>(144,921)</u>	<u>(45,536)</u>	<u>(32,622)</u>

(ii) Weighted average number of shares

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	'000	'000	'000 (Unaudited)	'000
Ordinary shares in issue or deemed to be in issue at the beginning of the year/period	17,470	18,799	18,799	21,296
Effect of issuance of shares	706	756	49	–
Effect of the financial instruments issued to investors	(9,567)	(10,486)	(10,239)	(11,795)
Weighted average number of ordinary shares in issue or deemed to be in issue at the end of the year/period . .	<u>8,609</u>	<u>9,069</u>	<u>8,609</u>	<u>9,501</u>

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to ordinary shareholders of the Company and the weighted average of ordinary shares deemed to be issued after adjustment for the effects of all dilutive potential ordinary shares.

For the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026, the financial instruments issued to investors as financial liabilities were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share for the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026 were the same as basic loss per share of the respective periods.

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11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Vehicle	Equipment and machinery	Leasehold improvements	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost:				
At 1 January 2024	418	9,702	1,255	11,375
Additions	–	2,589	1,658	4,247
Disposals.	–	(84)	–	(84)
At 31 December 2024 and 1 January 2025	418	12,207	2,913	15,538
Additions	–	833	40	873
Disposals.	–	(61)	–	(61)
At 31 December 2025 and 1 January 2026	418	12,979	2,953	16,350
Additions	–	295	–	295
Disposals	–	(20)	–	(20)
Exchange adjustment	–	(1)	–	(1)
At 31 March 2026	418	13,253	2,953	16,624
Accumulated depreciation:				
At 1 January 2024	(140)	(2,347)	(762)	(3,249)
Charge for the year	(79)	(1,560)	(403)	(2,042)
Written back on disposals	–	60	–	60
At 31 December 2024 and 1 January 2025	(219)	(3,847)	(1,165)	(5,231)
Charge for the year	(79)	(1,846)	(858)	(2,783)
Written back on disposals	–	55	–	55
At 31 December 2025 and 1 January 2026	(298)	(5,638)	(2,023)	(7,959)
Charge for the period	(20)	(484)	(173)	(677)
Written back on disposals	–	19	–	19
Exchange adjustment	–	1	–	1
At 31 March 2026	(318)	(6,102)	(2,196)	(8,616)
Net book value:				
At 31 December 2024	199	8,360	1,748	10,307
At 31 December 2025	120	7,341	930	8,391
At 31 March 2026	100	7,151	757	8,008

The Company

	Vehicle	Equipment and machinery	Leasehold improvements	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost:				
At 1 January 2024	418	9,646	1,255	11,319
Additions	–	2,585	1,658	4,243
Disposals.	–	(84)	–	(84)
At 31 December 2024 and 1 January 2025	418	12,147	2,913	15,478
Additions	–	834	40	874
Disposals.	–	(61)	–	(61)
At 31 December 2025 and 1 January 2026	418	12,920	2,953	16,291
Additions	–	295	–	295
Disposals	–	(20)	–	(20)
At 31 March 2026	418	13,195	2,953	16,566

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	Vehicle	Equipment and machinery	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Accumulated depreciation:				
At 1 January 2024	(140)	(2,315)	(762)	(3,217)
Charge for the year	(79)	(1,543)	(403)	(2,025)
Written back on disposals	—	60	—	60
At 31 December 2024 and 1 January 2025	(219)	(3,798)	(1,165)	(5,182)
Charge for the year	(79)	(1,840)	(858)	(2,777)
Written back on disposals	—	55	—	55
At 31 December 2025 and 1 January 2026	(298)	(5,583)	(2,023)	(7,904)
Charge for the period	(20)	(484)	(173)	(677)
Written back on disposals	—	19	—	19
At 31 March 2026	(318)	(6,048)	(2,196)	(8,562)
Net book value:				
At 31 December 2024	199	8,349	1,748	10,296
At 31 December 2025	120	7,337	930	8,387
At 31 March 2026	100	7,147	757	8,004

12 RIGHT-OF-USE ASSETS

The Group and the Company

The Group has obtained the right to use certain office buildings through tenancy agreements during the Relevant Periods. The leases typically run for an initial period of 2-5 years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments. The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

	Buildings RMB'000	
	The Group	The Company
Cost:		
At 1 January 2024	4,696	4,349
Additions	1,640	1,447
Disposals	(350)	—
Exchange adjustment	4	—
At 31 December 2024 and 1 January 2025	5,990	5,796
Additions	586	586
Disposals	(1,426)	(1,426)
Exchange adjustment	(4)	—
At 31 December 2025 and 1 January 2026	5,146	4,956
Exchange adjustment	(2)	—
At 31 March 2026	5,144	4,956
Accumulated depreciation:		
At 1 January 2024	(2,059)	(1,799)
Charge for the year	(1,261)	(1,178)
Written back on disposals	336	—
Exchange adjustment	(2)	—
At 31 December 2024 and 1 January 2025	(2,986)	(2,977)
Charge for the year	(1,492)	(1,427)
Written back on disposals	1,165	1,165
At 31 December 2025 and 1 January 2026	(3,313)	(3,239)
Charge for the period	(320)	(304)
Exchange adjustment	1	—
At 31 March 2026	(3,632)	(3,543)
Net book value:		
At 31 December 2024	3,004	2,819
At 31 December 2025	1,833	1,717
At 31 March 2026	1,512	1,413

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The analysis of expense items in relation to the Group’s leases recognised in profit or loss is as follows:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Depreciation charge of right-of-use assets by class of underlying asset:				
Properties leased for own use	1,261	1,492	361	320
Interest on lease liabilities (Note 16(c)).	120	94	14	15
Expense relating to short-term leases	92	65	2	29

The total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 16(d) and 24(b), respectively.

13 INTERESTS IN SUBSIDIARIES

The Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB’000	RMB’000	RMB’000
Investments in subsidiaries	58,490	58,490	58,490
Less: provision for impairment losses	(13,026)	(13,026)	(13,026)
	<u>45,464</u>	<u>45,464</u>	<u>45,464</u>

Details of the subsidiaries are set out in Note 1.

14 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	At 31 December		At 31 March
	2024	2025	2026
	RMB’000	RMB’000	RMB’000
Prepayments to suppliers	14,340	6,168	4,490
Value-added tax recoverable	1,249	7,196	9,028
Other debtors and deposits	822	958	1,433
Prepaid [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>16,411</u>	<u>16,941</u>	<u>17,942</u>

The Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB’000	RMB’000	RMB’000
Prepayments to suppliers	14,340	6,151	4,473
Value-added tax recoverable	794	6,739	8,570
Amount due from related parties	17,806	17,836	17,844
Other debtors and deposits	795	745	1,226
Prepaid [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>33,735</u>	<u>34,090</u>	<u>35,104</u>

All of the prepayments and other receivables are expected to be recovered or recognised as expenses within one year.

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15 FINANCIAL ASSETS AT FVPL

The Group and the Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Equity securities listed in the United States (i)	153,342	—	—
Negotiable certificate of deposits with banks (ii) . . .	11,062	—	—
Structured deposits issued by banks	—	145,055	100,397
	<u>164,404</u>	<u>145,055</u>	<u>100,397</u>

Notes:

- (i) As disclosed in Note 4, Biohaven issued its ordinary shares to the Company as part of the consideration of the up-front payment. The directors of the Company determine the shares of Biohaven are mainly for the purpose of trading. Therefore, the shares of Biohaven held by the Company are classified as financial assets at FVPL.

At the date of the issuance, the Company was subject to the reporting requirements under certain rules of the United States. Therefore, the shares of Biohaven held by the Company must be held for at least six months. The restriction was released in 2024.

In December 2025, the Group disposed all the shares of Biohaven.

- (ii) During the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026, the Group invested in certain negotiable certificate of deposits with banks in the PRC. The negotiable certificate of deposits were transferable and carried at fixed interest rate. The directors of the Company determine such negotiable certificate of deposits are mainly for the purpose of short-term fund management, which will be sold in the secondary market, depending on the cash needs. Therefore, the negotiable certificate of deposits are classified as current financial assets at FVPL.

16 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Cash at banks	127,037	254,602	255,745
Deposit with other financial institutions (i)	43,146	34	33
Total	<u>170,183</u>	<u>254,636</u>	<u>255,778</u>

The Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Cash at banks	120,074	251,611	246,090
Deposit with other financial institutions (i)	43,146	34	33
Total	<u>163,220</u>	<u>251,645</u>	<u>246,123</u>

- (i) Deposit with other financial institutions represented the deposit in the Company’s account opened in a brokerage firm, which could be transferred to other bank accounts on demand.

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(b) Reconciliation of loss before taxation to cash used in operations:

	Note	Year ended 31 December		Three months ended 31 March	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Loss before taxation		(225,253)	(312,579)	(99,694)	(73,121)
Adjustments for:					
Depreciation of property, plant and equipment	6(c)	2,042	2,783	687	677
Amortisation of intangible assets	6(c)	33	32	8	8
Depreciation of right-of-use assets	6(c)	1,261	1,492	361	320
Finance costs	6(a)	120	94	14	15
Changes in the fair value of financial instruments issued to investors	6(c)	93,962	154,879	27,023	27,765
Changes in fair value of other financial instruments	6(c)	(3,320)	100,961	54,642	(412)
Loss/(gain) on disposal of property, plant and equipment and right of use assets		8	(1)	1	(1)
Equity-settled share-based payment expenses	6(b)	490	3,440	221	1,633
Operating loss before changes in working capital		(130,657)	(48,899)	(16,737)	(43,116)
Changes in working capital:					
Decrease/(increase) in prepayments and other receivables		8,166	876	(4,053)	224
(Decrease)/increase in trade and other payables		(2,282)	26,749	(6,094)	(5,696)
Increase in deferred income		5,353	11,402	—	4,210
Cash used in operations		<u>(119,420)</u>	<u>(9,872)</u>	<u>(26,884)</u>	<u>(44,378)</u>

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statement as cash flows from financing activities.

	Leases liabilities	Financial instruments issued to investors	Total
	RMB'000 (Note 18)	RMB'000 (Note 21)	RMB'000
At 1 January 2024	2,589	617,500	620,089
Changes from financing cash flows:			
Capital contributions by investors	—	130,300	130,300
Payment for capital element of lease liabilities	(1,712)	—	(1,712)
Payment for interest element of lease liabilities	(120)	—	(120)
Total changes from financing cash flows	<u>(1,832)</u>	<u>130,300</u>	<u>128,468</u>
Other changes:			
Interest expenses (Note 6(a))	120	—	120
Increase in lease liabilities from entering into new leases during the year	1,640	—	1,640
Termination of the lease contracts	(11)	—	(11)
Changes in fair value of financial instruments issued to investors (Note 6(c))	—	93,962	93,962
Exchange effects	2	—	2
	<u>1,751</u>	<u>93,962</u>	<u>95,713</u>
At 31 December 2024	<u>2,508</u>	<u>841,762</u>	<u>844,270</u>

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	Leases liabilities	Financial instruments issued to investors	Total
	RMB'000 (Note 18)	RMB'000 (Note 21)	RMB'000
At 1 January 2025	2,508	841,762	844,270
Changes from financing cash flows:			
Capital contributions by investors	–	182,000	182,000
Payment for capital element of lease liabilities	(1,273)	–	(1,273)
Payment for interest element of lease liabilities	(94)	–	(94)
Total changes from financing cash flows	(1,367)	182,000	180,633
Other changes:			
Interest expenses (Note 6(a))	94	–	94
Increase in lease liabilities from entering into new leases during the year	586	–	586
Termination of the lease contracts	(315)	–	(315)
Changes in fair value of financial instruments issued to investors (Note 6(c))	–	154,879	154,879
Exchange effects	(3)	–	(3)
	362	154,879	155,241
At 31 December 2025	1,503	1,178,641	1,180,144

	Leases liabilities	Financial instruments issued to investors	Total
	RMB'000 (Note 18)	RMB'000 (Note 21)	RMB'000
At 1 January 2026	1,503	1,178,641	1,180,144
Changes from financing cash flows:			
Payment for capital element of lease liabilities	(83)	–	(83)
Payment for interest element of lease liabilities	(15)	–	(15)
Total changes from financing cash flows	(98)	–	(98)
Other changes:			
Interest expenses (Note 6(a))	15	–	15
Changes in fair value of financial instruments issued to investors (Note 6(c))	–	27,765	27,765
Exchange effects	(2)	–	(2)
	13	27,765	27,778
At 31 March 2026	1,418	1,206,406	1,207,824

(d) **Total cash outflow for leases**

Amounts included in the cash flow statement for leases comprise the following:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Within operating cash flows	92	65	2	29
Within financing cash flows	1,832	1,367	66	98
	1,924	1,432	68	127

17 TRADE AND OTHER PAYABLES

The Group

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Trade payables	25,579	41,417	47,437
Accrued payroll	6,773	9,837	3,838
Tax payables	257	560	148
Other payables and accruals	1,052	8,648	3,345
	33,661	60,462	54,768

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The Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Trade payables	14,008	31,268	37,565
Accrued payroll	6,773	9,186	3,834
Tax payables	254	560	148
Amount due to related parties	51,692	47,086	40,876
Other payables and accruals	1,002	8,489	3,280
	<u>73,729</u>	<u>96,589</u>	<u>85,703</u>

All of trade and other payables are expected to be settled within one year or are repayable on demand.

As at the end of each of the reporting period, the ageing analysis of trade payables based on the invoice date, is as follows:

The Group

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	16,387	32,394	37,565
After 1 year but within 2 years	9,192	–	–
After 2 years but within 5 years	–	9,023	9,872
	<u>25,579</u>	<u>41,417</u>	<u>47,437</u>

The Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	<u>14,008</u>	<u>31,268</u>	<u>37,565</u>

18 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group and the Company’s lease liabilities at the end of each of the Relevant Periods.

The Group

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	<u>1,167</u>	<u>1,377</u>	<u>1,328</u>
After 1 year but within 2 years	1,074	107	90
After 2 years but within 5 years	267	19	–
	<u>1,341</u>	<u>126</u>	<u>90</u>
	<u>2,508</u>	<u>1,503</u>	<u>1,418</u>

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The Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	1,104	1,313	1,264
After 1 year but within 2 years	953	52	52
After 2 years but within 5 years	267	19	–
	1,220	71	52
	2,324	1,384	1,316

19 DEFERRED INCOME

The Group and the Company

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Government grants	15,168	26,570	30,780

Deferred income represented the subsidies received from the government for the encouragement of research and development projects which did not meet the conditions attaching to the subsidies.

20 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The Group

	At 31 December		At 31 March
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Income tax payables	1,118	–	–

21 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

In December 2018, the Company entered into agreements with several investors (the “Series A Investors”), pursuant to which, the Series A Investors agreed to inject a total of RMB39,600,000 into the Company as a consideration for the subscription of the Company’s newly issued paid-in capital of RMB1,764,706.

In January 2021, the Company entered into agreements with several investors (the “Series B Investors”), pursuant to which, the Series B Investors agreed to inject a total of RMB100,000,000 into the Company as a consideration for the subscription of the Company’s newly issued paid-in capital of RMB2,941,177.

In February 2021, Tan Fenlai, a shareholder of the Company, entered into a share purchase agreement with an individual investor (the “Series Pre-B Investor”), pursuant to which, the Series Pre-B Investor agreed to acquire the Company’s paid-in capital of RMB764,735 from Tan Fenlai at a cash consideration of RMB22,100,850.

In May 2021 and July 2021, the Company entered into agreements with several investors (the “Series B+ Investors”), and the existing shareholders, pursuant to which, the Series B+ Investors agreed to (i) inject a total of RMB110,000,000 into the Company as a consideration for the subscription of the Company’s newly issued paid-in capital of RMB1,797,386; and (ii) acquire paid-in capital of RMB833,326 from several existing shareholders of the Company at a cash consideration of RMB43,000,000.

In November 2021, the Company entered into an agreement with an investor (the “Series B2 Investor”), pursuant to which, the Series B2 Investor agreed to inject a total of RMB100,000,000 into the Company as a consideration for the subscription of the Company’s newly issued paid-in capital of RMB1,347,618.

In 2024, the Company entered into the agreements with several investors (the “Series Pre-C Investors”), pursuant to which, the Series Pre-C Investors agreed to inject a total of RMB150,030,000 into the Company as a consideration for the subscription of the Company’s newly issued paid-in capital of RMB1,533,169. The capital injection was completed in batches, of which RMB130,030,000 was completed in 2024 and RMB20,000,000 in 2025.

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In November 2025, the Company entered into the agreements with several investors (the “Series C Investors”), pursuant to which, the Series C Investors agreed to inject a total of RMB162,000,000 into the Company as a consideration for the subscription of the Company’s newly issued share capital of RMB1,401,262.

In accordance with the respective agreements, the Series A Investors, Series Pre-B Investor, the Series B Investors, the Series B+ Investors, the Series B2 Investor, the Series Pre-C Investors and the Series C Investors (collectively, the “Investors with Special Rights”) were granted certain preferred rights.

The key terms of the respective agreements are summarised as follows:

Redemption features

The Investors with Special Rights have the right to require the Company to redeem their shares for cash upon certain events, including (i) the significant personal integrity issues of the controlling shareholder, (ii) a non-completion of a qualified [REDACTED] before 31 December 2027, (iii) the controlling shareholder prevent the qualified [REDACTED], (iv) the founders fails to fulfil their obligation to fully pay up the registered capital, (v) the Company and its subsidiaries violate such regulations and (vi) the investors are unable to legally exercise their statutory rights as shareholders of the Company.

Upon the occurrence of the event of (i) the redemption amount is calculated as the higher of (a) the original investment principal from investors with an annual interest rate of 20% of the original investment principal plus any dividends declared but unpaid for a period of time commencing from the actual investment payment date to the actual settlement of redemption amount date; and (b) the fair value of the Company at the time of transfer attributable to the shareholders according to share percentage.

Upon the occurrence of the event of (ii), (iii), (iv), (v) or (vi), the redemption amount is calculated as the higher of (a) the original investment principal from investors with an annual interest rate of 8% or 10% of the original investment principal plus any dividends declared but unpaid for a period of time commencing from the actual investment payment date to the actual settlement of redemption amount date; and (b) the fair value of the Company at the time of transfer attributable to the shareholders according to share percentage.

Liquidation preferences

In the event of any liquidation or deemed liquidation event, Investors with Special Rights shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, an amount per share equal to the original issue price for each share with an annual interest rate of 10% plus any dividends declared but unpaid thereon in the sequence as follows:

- (i) Series C Investors and Series Pre-C Investors
- (ii) Series B2 Investor
- (iii) Series B+ Investors
- (iv) Series B Investors
- (v) Series Pre-B Investor
- (vi) Series A Investors

The remaining funds or assets after the distribution of (i) to (vi) shall be distributed ratably among Investors with Special Rights.

Anti-dilution right

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital/share capital basis, the investors have a right to require the Company to issue additional paid-in capital/share capital at the lowest issue price permitted by law to the investors or receive cash compensation from the Company, and the investors also have a right to require the controlling shareholders to transfer shares to the investors at the lowest issue price permitted by law or receive cash compensation from the controlling shareholders, so that the total amount paid by the investors divided by the total amount of paid-in capital/share capital obtained is equal to the price per paid-in capital/share capital in the new issuance.

Presentation and classification

The Company have designated the shares issued to the Investors with Special Rights as whole as financial liabilities carried at FVPL and presented as “financial instruments issued to investors” in the consolidated statements of financial position. The changes in fair value of the financial instruments issued to investors is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the financial instruments issued to investors attributable to changes of own credit risk is not significant.

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The financial instruments issued to investors were presented in current liabilities as at 31 December 2024 and 2025 and 31 March 2026 as the Company would be requested to redeem the shares issued to the Investors with Special Rights upon occurrence of the events which cannot be controlled by the Company as detailed above.

The movement of the financial instruments issued to investors is set out below:

	Financial instruments issued to investors
	RMB'000
At 1 January 2024	617,500
Issuance of paid-in capital with special rights	130,300
Changes in fair value.	93,962
At 31 December 2024	841,762
Issuance of shares with special rights	182,000
Changes in fair value.	154,879
At 31 December 2025	1,178,641
Changes in fair value	27,765
At 31 March 2026	1,206,406

The Company used the discounted cash flow and back-solve method to determine the fair value of the underlying shares of the Company and performed an equity allocation based on the option pricing model (the “OPM model”) to arrive the fair value of the financial instruments issued to investors as at the end of each reporting period with reference to valuation report carried out by an independent valuer.

In addition to the underlying share value of the Company determined by the back-solve method, other key valuation assumptions used in the OPM model to determine the fair value are as follows:

	At 31 December		At 31 March
	2024	2025	2026
Risk-free interest rate	1.11%-1.19%	1.234%-1.36%	1.14%-1.26%
Volatility	47%-50%	38%-46%	43%-47%
Possibilities under liquidation scenario	27%	25%	25%
Possibilities under redemption scenario	28%	25%	25%
Possibilities under (“[REDACTED]”) scenario	45%	50%	50%

The Group estimated the risk-free interest rate based on the yield of government bond of the PRC with maturity close to the expected exit timing as of the valuation date. The DLOM was estimated based on the OPM method. Under the OPM method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine DLOM. Volatility was estimated based on annualised standard deviation of daily shares price return of comparable companies for a period from the valuation date and with a similar span as time to expiration.

Set out below is a summary of significant unobservable inputs to the valuation of financial liabilities, together with a quantitative sensitivity analysis as at the end of each reporting period.

Significant unobserved inputs	Increase/(decrease) in the inputs	(Decrease)/increase in the fair value	Increase/(decrease) in the fair value	Increase/(decrease) in the fair value
		At 31 December		At 31 March
		2024	2025	2026
		RMB'000	RMB'000	RMB'000
Risk-free interest rate	1%/(1%)	-/114	1,156/(973)	1,035/(1,065)
Volatility	5%/(5%)	-/-	(1,379)/1,826	(1,460)/1,864

22 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) Incentive shares

Prior to 1 January 2023, several employees of the Group, including Liang Congxin (the executive directors of the Company) were granted certain incentive shares (the “Incentive Shares”). The Incentive Shares are held by an employee shareholding platform (the “Platform”, which is a shareholder of the Company) and will be vested upon the fulfilment of certain performance conditions and service conditions.

As at 1 January 2023, the unvested number of the Incentive Shares was 250,986 which was granted to Liang Congxin. Subsequently, these Incentive Shares were vested in September 2025.

Back-solve method was used to determine the equity value of the Company. Equity allocation model was used to determine the fair value of the Incentive Shares.

During the years ended 31 December 2024 and 2025 and the three months ended period 31 March 2025 and 2026, expenses in relation to the Incentive Shares of RMB354,000, RMB264,000, RMB87,000 (Unaudited) and Nil were charged into profit or loss, respectively.

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(b) Share option scheme

In 2021, the Company adopted a share option scheme (the “Share Option Scheme”), pursuant to which, the holder of the share options has right to acquire certain equity interest in the Platform, which enables the holder has indirect equity interest in the Company.

The Share Option Scheme contains service conditions and non-market performance conditions. The share options shall vest upon the 36 months after the completion of the [REDACTED] of the Company.

If employments relationship of the grantees are terminated, the employees have to transfer out their exercised share options to the person designed by the general partner of the Platform at the lower of (i) initial purchase price paid by the grantees with an annual interest rate of 5% of the initial purchase price, and (ii) the net assets of the Company at the time of transfer according to the share percentage.

Such term is a non-market condition and represents an implicit service period that runs until the end of the 36 months after the [REDACTED]. Management estimated the implicit service period at the end of each reporting period. Equity-settled share-based payment expenses are recognised over the expected service period on a true-up basis.

In September 2025, an employee incentive scheme (the “Employee Incentive Scheme”) was approved by the shareholders of the Company and all of outstanding share options were converted into the restricted share units (“RSUs”).

(i) The terms, conditions and movement of the share options are as follows:

	Year ended 31 December				Three months ended 31 March			
	2024		2025		2025		2026	
	Weighted average exercise price	Underlying shares of the Company [#]	Weighted average exercise price	Underlying shares of the Company [#]	Weighted average exercise price	Underlying shares of the Company [#]	Weighted average exercise price	Underlying shares of the Company [#]
	RMB	'000	RMB	'000	RMB	'000	RMB	'000
(Unaudited)								
Outstanding at the beginning of the year/period	16.65	564	16.61	464	16.61	464	—	—
Forfeited during the year/period . .	16.82	(100)	—	—	—	—	—	—
Cancelled during the year/period .	—	—	13.89	(109)	—	—	—	—
Converted to the RSUs (Note 22(c))	—	—	17.45	(355)	—	—	—	—
Outstanding and exercisable at the end of the year/period	16.61	464	—	—	16.61	464	—	—

[#] Excluding the impact of the share subdivision as disclosed in Note 23(c).

As at 31 December 2024, the weighted average remaining contractual life for the share options granted was 6.6 years. The contractual life of the above share option is ten years.

(ii) Fair value of share options and assumptions:

Discounted cash flow and back-solve method were used to determine the equity value of the Company. Equity allocation model was used to determine the fair value of the underlying shares. Binomial tree model was used to determine the fair value of the share options.

As at 31 December 2024, the implicit service period from the respective grant dates, as estimated by management, ranged between 69 to 104 months.

During the years ended 31 December 2024 and 2025 and for the three months period ended 31 March 2025 and 2026, expenses in relation to the Share Option Scheme of RMB136,000, RMB602,000, RMB134,000 (Unaudited) and Nil was charged to profit or loss, respectively.

(c) Employee incentive scheme

In September 2025, the Group adopted the Employee Incentive Scheme for the purpose of providing incentives to eligible employees of the Group. The outstanding share options under the Share Option Scheme were converted into RSUs. The conversion is treated as a modification to the equity-settled share-based transactions. Considering the vesting conditions are unchanged, management consider the change of the fair value in relation to the modification is immaterial. The participant of the Employee Incentive Scheme invested in the Company by the way of acquiring shares of the Company through the Platform.

The terms and conditions of the Employee Incentive Scheme is same as the Share Option Scheme.

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The movement of the RSUs is as follows:

	Number of underlying shares of the Company [#]
	’000
At 1 January 2025	–
Converted from share options	355
Granted	804
At 31 December 2025	1,159
Converted from share options	–
Granted	–
Forfeited	(21)
At 31 March 2026	1,138

[#] Excluding the impact of the share subdivision as disclosed in Note 23(c).

(i) **Fair value of the RSUs and assumptions:**

The fair value of services received in return for RSUs granted is measured at the difference between (i) the fair value of RSUs granted and (ii) the considerations paid by the employees.

Back-solve method was used to determine the underlying equity fair value of the Company and the equity allocation model was used to determine the fair value of the underlying shares.

As at 31 March 2026, the implicit service period from the grant dates, estimated by management, ranged between 49 to 73 months.

During the year ended 31 December 2025 and for the three months period ended 31 March 2026, expenses in relation to the RSUs of RMB2,574,000 and RMB1,633,000 was charged to profit or loss.

(d) **Equity-settled share-based payment expenses recognised in the consolidated statements of profit or loss and other comprehensive income during the Relevant Periods:**

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Research and development expenses . .	279	2,238	169	891
Administrative expenses	211	1,202	52	742
	490	3,440	221	1,633

23 CAPITAL, RESERVES AND DIVIDENDS

(a) **Movements in components of equity**

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company’s individual components of equity between the beginning and the end of each year are set out below:

	Note	Paid-in capital/share capital	Capital reserve	Other reserve	Accumulated losses	Total
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Balance at 1 January 2024		17,470	358,430	(394,983)	(253,441)	(272,524)
Changes in equity for 2024:						
Total comprehensive income for the year		–	–	–	(240,920)	(240,920)
Capital contribution by investors .	23(b)	1,329	128,971	–	–	130,300
Recognition of financial instruments issued to investors .	21	–	–	(130,300)	–	(130,300)
Equity-settled share-based payments	22	–	490	–	–	490

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	Note	Paid-in capital/share capital	Capital reserve	Other reserve	Accumulated losses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 31 December 2024 and 1 January 2025		18,799	487,891	(525,283)	(494,361)	(512,954)
Changes in equity for 2025:						
Total comprehensive income for the year		–	–	–	(308,144)	(308,144)
Capital contribution by investors	23	2,497	180,394	–	–	182,891
Recognition of financial instruments issued to investors	21	–	–	(182,000)	–	(182,000)
Conversion into a joint stock company	23(c)	–	(220,433)	–	220,433	–
Equity-settled share-based payments	22	–	3,440	–	–	3,440
Balance at 31 December 2025 and 1 January 2026		<u>21,296</u>	<u>451,292</u>	<u>(707,283)</u>	<u>(582,072)</u>	<u>(816,767)</u>
Changes in equity for the three months ended 31 March 2026:						
Total comprehensive income for the period		–	–	–	(72,515)	(72,515)
Equity-settled share-based payments	22	–	1,633	–	–	1,633
Balance at 31 March 2026		<u>21,296</u>	<u>452,925</u>	<u>(707,283)</u>	<u>(654,587)</u>	<u>(887,649)</u>

(b) Paid-in capital

	RMB'000
Balance at 1 January 2024	17,470
Capital contributions by investors (i)	1,329
Balance at 31 December 2024	18,799
Capital contributions by investors (i)	1,095
Conversion to joint stock company (Note 23(c))	(19,894)
Balance at 31 July 2025	<u>–</u>

- (i) The Series Pre-C Investors and the Platform completed the capital injection amounted to RMB130,030,000 and RMB20,891,000 for the subscription of the Company's newly issued paid-in capital of RMB1,329,000 and RMB1,095,000 in 2024 and 2025, respectively.

(c) Share capital

The Company was converted into a joint stock limited company under the Company Law of the PRC in September 2025. Upon the completion of the conversion in September 2025, the 19,894,466 shares with a nominal value of RMB1.0 each were subscribed by all the then shareholders in proportion to their respective equity interest in the Company before the conversion.

	Number of shares	Amount
	'000	RMB'000
Ordinary shares, issued and fully paid:		
At 1 August 2025	–	–
Conversion to joint stock company during 2025	19,894	19,894
Capital contribution by the investors during 2025 (i)	1,402	1,402
At 31 December 2025, 1 January 2026 and 31 March 2026	<u>21,296</u>	<u>21,296</u>

- (i) The Series C Investors completed the capital injection amounted to RMB162,000,000 for the subscription of the Company's newly issued share capital of RMB1,402,000 in 2025.

Pursuant to a shareholders' resolutions dated 9 October 2025, the shares of the Company will be subdivided on a one-for-ten basis immediately prior to the [REDACTED] (the “Share Sub-division”). Following the Share Sub-division, the nominal value of each share will be changed from RMB1.00 to RMB0.10. As at 31 March 2026, the Share Sub-division has not yet taken effect.

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(d) Dividends

No dividends were declared or paid by the Company during the Relevant Periods.

(e) Capital reserve

The capital reserve primarily comprises the following:

- The portion of the grant date fair value of unvested shares granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(n)(ii); and
- The difference between the consideration received and the par value of the issued shares of the Company.

(f) Other reserve

Other reserve primarily comprises the recognition of financial instruments issued to investors as stipulated in Note 21.

(g) Capital management

The Group’s objectives in the aspect of managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to make adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business. The Group is also exposed to equity price risk arising from its equity investments in other entities. The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to other receivables. The Group’s exposure to credit risk arising from cash and cash equivalents, time deposits and negotiable certificate of deposits with banks is limited because the counterparties are state-owned banks or reputable banks, which the Group considered to have low credit risks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Management has assessed that during the Relevant Periods, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. The management of the Company expect the occurrence of losses from non-performance by counterparties of other receivables to be remote and a loss allowance provision for other receivables to be immaterial.

(b) Liquidity risk

The Group’s policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities as of the end of the reporting period of the Group’s non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current as at the end of each of the reporting period) and the earliest date the Group can be required to pay:

	At 31 December 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	1,182	1,131	328	—	2,641	2,508
Trade and other payables . .	26,631	—	—	—	26,631	26,631
Financial instruments issued to investors	841,762	—	—	—	841,762	841,762
	<u>869,575</u>	<u>1,131</u>	<u>328</u>	<u>—</u>	<u>871,034</u>	<u>870,901</u>

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At 31 December 2025

Contractual undiscounted cash outflow					
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	1,415	109	19	–	1,543
Trade and other payables . .	50,065	–	–	–	50,065
Financial instruments issued to investors	1,178,641	–	–	–	1,178,641
	<u>1,230,121</u>	<u>109</u>	<u>19</u>	<u>–</u>	<u>1,230,209</u>

At 31 March 2026

Contractual undiscounted cash outflow					
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	1,352	91	–	–	1,443
Trade and other payables . .	50,782	–	–	–	50,782
Financial instruments issued to investors	1,206,406	–	–	–	1,206,406
	<u>1,258,540</u>	<u>91</u>	<u>–</u>	<u>–</u>	<u>1,258,631</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is primarily exposed to fair value interest rate risk in relation to negotiable certificate of deposits with banks (Note 15), structured deposits issued by banks (Note 15) and lease liabilities (Note 18) and cash flow risk in relation to variable-rate bank balances (Note 16). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group’s interest-bearing financial instruments at variable rates as at 31 December 2024 and 2025 and 31 March 2026 are cash and cash equivalents, the negotiable certificate of deposits with banks and structured deposits issued by banks, and the cash flow interest risk arising from a change in market interest rates is not considered significant.

(d) Currency risk

The Group is exposed to currency risk primarily from cash and cash equivalents and time deposits that are denominated in a foreign currency.

(i) Exposure to currency risk

The following table details the Group’s exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of the entities into the Group’s presentation currency are excluded.

Exposure to foreign currencies (expressed in RMB)		
	At 31 December	At 31 March
	2024	2025
	RMB'000	RMB'000
Cash and cash equivalent	<u>120,948</u>	<u>196,651</u>
		<u>188,556</u>

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group’s loss after tax (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

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Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities’ loss after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

	At 31 December				At 31 March	
	2024		2025		2026	
	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses
	RMB’000		RMB’000		RMB’000	
US\$ (against RMB).	5%	6,047	5%	9,833	5%	9,428
US\$ (against RMB).	(5%)	(6,047)	(5%)	(9,833)	(5%)	(9,428)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of the entities into the Group’s presentation currency.

(e) Equity price risk

The Group is exposed to equity price changes arising from investment in equity securities listed in the United States.

As at 31 December 2024, it is estimated that an increase/(decrease) of 5% in equity price, with all other variables held constant, would have increase/(decrease) the Group’s loss after tax and the Group’s deficits as follows:

	31 December 2024		
	Effect on loss after tax		Effect on deficits
	RMB’000		RMB’000
Changes in equity price:			
Increase	5%	7,670	7,670
Decrease	(5%)	(7,670)	(7,670)

As mentioned in Note 15, the Group disposed all shares of Biohaven in December 2025. As a result, the Group is not exposed to any equity price risk as at 31 December 2025 and 31 March 2026.

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team performing valuations for the financial instruments categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer.

	Fair value at 31 December 2024 RMB’000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
		RMB’000	RMB’000	RMB’000
Recurring fair value measurement				
Financial assets:				
– Equity securities listed in the United States	153,342	153,342	–	–
– Negotiable certificate of deposits with banks	11,062	–	11,062	–
Financial liabilities:				
– Financial instruments issued to investors	(841,762)	–	–	(841,762)

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	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB’000	RMB’000	RMB’000	RMB’000
Recurring fair value measurement				
Financial assets:				
– Structured deposits issued by banks	145,055	–	–	145,055
Financial liabilities:				
– Financial instruments issued to investors	(1,178,641)	–	–	(1,178,641)

	Fair value at 31 March 2026	Fair value measurements as at 31 March 2026 categorised into		
		Level 1	Level 2	Level 3
	RMB’000	RMB’000	RMB’000	RMB’000
Recurring fair value measurement				
Financial assets:				
– Structured deposits issued by banks	100,397	–	–	100,397
Financial liabilities:				
– Financial instruments issued to investors	(1,206,406)	–	–	(1,206,406)

During the Relevant Periods, there were no transfers into or out of Level 3. The equity securities listed in the United States were transferred from Level 2 to Level 1 in 2024 as the restriction for sale was released in 2024 (see Note 15).

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of negotiable certificate of deposits with banks in Level 2 is determined by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Information about Level 3 fair value measurements

The fair values of structured deposits issued by banks have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors of the Company to make estimates about the expected future cash flows including expected future interest return on maturity of the structured deposits issued by banks.

Below is a summary of significant unobservable inputs to the valuation of structured deposits issued by banks together with a quantitative sensitivity analysis at the end of each of the reporting period:

31 December 2025

	Valuation techniques	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Structured deposits issued by banks . . .	Discounted cash flow method	Interest return rate	0.6% – 1.89%	0.5% increase/(decrease) in interest return rate would result in increase/(decrease) in fair value by RMB725,000

31 March 2026

	Valuation techniques	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Structured deposits issued by banks . . .	Discounted cash flow method	Interest return rate	0.6% – 1.89%	0.5% increase/(decrease) in interest return rate would result in increase/(decrease) in fair value by RMB500,000

The fair value of the financial instruments issued to investors are determined using the OPM. Further details are set out in Note 21.

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The directors of the Company believe that the estimated fair values resulting from the valuation technique are reasonable, and that they were the most appropriate values at the end of each of the reporting period.

The movement during the year/period in the balance of these Level 3 fair value measurements are as follows:

	For the year ended 31 December			For the three months ended 31 March		
	2024	2025		2025	2026	
	Financial liabilities	Financial assets	Financial liabilities	Financial liabilities	Financial assets	Financial liabilities
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000	RMB'000
At the beginning of the year/period	617,500	–	841,762	841,762	145,055	1,178,641
Additions	130,300	145,000	182,000	20,000	–	–
Redemption	–	–	–	–	(45,070)	–
Changes in fair value recognised in profit or loss during the year/period	93,962	55	154,879	27,023	412	27,765
At the end of the year/period	<u>841,762</u>	<u>145,055</u>	<u>1,178,641</u>	<u>888,785</u>	<u>100,397</u>	<u>1,206,406</u>

(ii) *Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group’s financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2024 and 2025 and 31 March 2026.

25 COMMITMENT

As of 31 December 2024 and 2025 and 31 March 2026, the Group did not have any material commitments.

26 MATERIAL RELATED PARTY TRANSACTIONS

(a) **Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended 31 December		Three months ended 31 March	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, wages and other benefits . . .	6,346	5,884	1,606	1,240
Contributions to defined contribution retirement plan	132	131	36	34
Equity-settled share-based payment expenses	477	2,581	118	1,553
	<u>6,955</u>	<u>8,596</u>	<u>1,760</u>	<u>2,827</u>

Total remuneration is included in “staff costs” (see Note 6(b)).

(b) **Other material related party transactions**

During the Relevant Periods, the directors of the Company are of the view that the followings are related parties of the Group:

Name of party	Relationship
Zhejiang Handing Pharmaceutical Co., Ltd. (“Handing”) (浙江漢鼎醫藥有限公司)	Controlling shareholder of Handing is Li Xiang (李湘), a director of the Company

In 2024 and 2025, the Group entered into agreements with Handing, pursuant to which, the Group and Handing plan to jointly develop certain drug candidates and undertake the research and development costs on a 50-50 basis. In 2024, Handing paid RMB900,000 to the Group which was recognised as trade and other payables as at 31 December 2024. During the six months period ended 30 June 2025, the Group paid RMB900,000 to Handing.

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ACCOUNTANTS’ REPORT

In September 2025, the Group and Handing entered into a termination agreement, pursuant to which, both parties agreed to terminate the previous agreements and confirmed no outstanding balance between each party.

27 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of this report, the HKICPA has issued a number of amendments, new standards and interpretations, which are not yet effective for the Relevant Periods and which have not been adopted in the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
HKFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to HKAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far the Group has concluded that their adoption is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

HKFRS 18, *Presentation and Disclosure in Financial Statements*

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity’s financial statements. HKFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

28 NON-ADJUSTING EVENTS AFTER THE RELEVANT PERIODS

[There are no significant events subsequent to 31 March 2026 which would materially affect the Group’s operating and financial performance.]

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 31 March 2026.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix is primarily intended to provide [REDACTED] with an overview of the Articles of Association. The following information is only a summary and therefore may not contain all the information that is material to potential [REDACTED].

ISSUANCE OF SHARES

The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class carry the equal rights. Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by subscribers shall be paid at the same consideration.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws, regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meetings:

- (i) Issuing shares to unspecified parties;
- (ii) Issuing shares to specific targets;
- (iii) Distribution of bonus shares to existing shareholders;
- (iv) Converting the reserve funds into share capital;
- (v) Other methods as stipulated by laws, administrative regulations, the CSRC, the securities regulatory bodies and the stock exchange in the place where the shares of the Company are [REDACTED].

The Company may decrease the registered capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the Company Law and other regulations, the securities regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association.

Repurchase of Shares

The Company shall not purchase its own shares, except in one of the following circumstances:

- (i) Reducing the Company's registered capital;
- (ii) Merging with other companies which hold the shares of the Company;
- (iii) Using the shares for an employee stock ownership plan or equity incentive;
- (iv) Purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;
- (v) Using the shares for conversion of corporate bonds convertible into shares issued by the Company;
- (vi) Necessary for the Company to maintain its value and protect the interests of the Shareholders.

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- (vii) other circumstances permitted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and regulatory rules of the place where the shares of the Company are [REDACTED].

Where the Company purchases its own shares under any of the circumstances set out in (iii), (v) and (vi) above, centralized public [REDACTED] shall be used, provided that the requirements of the Hong Kong Listing Rules and the regulatory rules and guidelines of the Hong Kong Stock Exchange are complied with.

Where the Company repurchases its shares under the circumstances set out in (i) and (ii) above, a resolution shall be passed at the shareholders’ meeting. Where the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, a resolution may be passed at a board meeting attended by more than two thirds of the directors in accordance with the provisions of the Articles of Association or as authorized by the shareholders’ meeting.

After the Company has repurchased its own shares under the circumstances set out in (i) to (vi) above, the shares repurchased shall be canceled within 10 days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

If laws and regulations, normative documents, the relevant regulatory rules of the place where the shares of the Company are [REDACTED] have other provisions on matters related to share repurchase, such provisions shall prevail.

Transfer of Shares

The shares of the Company may be transferred in accordance with laws. Except for [REDACTED] and [REDACTED] during the [REDACTED] hours on the Hong Kong Stock Exchange, all transfers of H shares shall be effected by an instrument of transfer in writing in a form acceptable to the Board of Directors (including standard transfer format or ownership transfer form prescribed by the Hong Kong Stock Exchange from time to time) and such instrument of transfer may be executed by hand only or under a valid corporate seal (if the transferor or transferee is a corporation). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or its nominee(s), the instrument of transfer may be executed by hand or by machine imprint. All instruments of transfer shall be deposited at the legal address of the Company or at such address as the Board of Directors shall from time to time designate.

The Company shall not accept its own shares as the subject of pledge.

Shares issued by the Company before the [REDACTED] shall not be transferred within one year from the date on which the shares of the Company are [REDACTED] and [REDACTED] on the stock exchange.

The Directors and senior management of the Company shall declare the Company of their holdings of shares of the Company (including preferred shares) and the changes therein. The shares transferred by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of the total shares of the same class they hold in the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company’s shares are [REDACTED] for [REDACTED]. The shares of the Company held by them shall not be transferred within half a year from their departure from the Company.

Where relevant requirements of the securities regulatory authorities in the place where the shares of the Company are [REDACTED] contain any other provisions on the transfer restrictions of H shares, such provisions shall prevail.

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SUMMARY OF ARTICLES OF ASSOCIATION

Where the shareholders, directors, and senior management personnel of the Company who hold more than 5% of the Company’s shares, sell his/her shares in the Company or other securities with equity nature within six months of his/her purchase, or purchase the shares again within six months of the sale, the [REDACTED] therefrom shall accrue to the Company and the Board of Directors of the Company shall recover such [REDACTED], except for securities companies, Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited, holding more than 5% of the Company’s shares due to the purchase of the remaining shares pursuant to an [REDACTED], and other circumstances stipulated by relevant regulatory authorities such as the CSRC, the securities regulatory bodies and the stock exchanges in the place where the shares of the Company are [REDACTED].

If the Board of Directors of the Company fails to comply with the provision set forth above, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People’s Court in their own names for the interest of the Company.

SHAREHOLDERS AND SHAREHOLDERS’ MEETINGS

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the share registrar where the shares of the Company are [REDACTED]. The register of shareholders shall be sufficient evidence proving the shareholders’ holding of the Company’s shares. Shareholders shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders who hold shares of the same class shall enjoy equal rights and assume equal obligations.

The rights of the shareholders of the Company are as follows:

- (i) To receive dividends and other forms of interest distribution according to the number of shares held;
- (ii) The right to legally request to call, convene, hold, attend or appoint a proxy to attend shareholders’ meeting and vote thereat;
- (iii) To supervise operations of the Company, provide suggestions or submit queries;
- (iv) To transfer, grant or pledge the Company’s shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To inspect and copy the Articles of Association, the register of shareholders, shareholders’ meeting minutes, resolutions of meetings of the Board of Directors and financial and accounting reports, and to inspect the accounting books and accounting vouchers of the Company in case of shareholders who meet the requirements, unless otherwise provided by the securities regulatory rules of the place where the shares of the Company are [REDACTED];
- (vi) To participate in the distribution of the remaining assets of the Company according to the proportion of shares held upon the termination or liquidation;
- (vii) To require the Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders’ meeting concerning the merger and division of the Company;

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SUMMARY OF ARTICLES OF ASSOCIATION

- (viii) Other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.

The obligations of the shareholders of the Company are as follows:

- (i) To abide by laws, administrative regulations and the Articles of Association;
- (ii) To provide share capital according to the shares subscribed and the subscription methods;
- (iii) Not to withdraw the share capitals unless required by the laws and regulations;
- (iv) Not to abuse shareholders’ rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company’s status as an independent legal entity or the limited liability of shareholders to damage the interests of the Company’s creditors;
- (v) To assume other obligations required by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association.

Shareholders of the Company who abuse their shareholders’ rights and cause the Company or other shareholders to suffer damages shall bear compensation liability in accordance with the law. Shareholders of the Company who abuse the independent legal person status of the Company and limited liability of shareholders to evade debts and cause damage to the interests of the creditors of the Company shall bear joint liability for the Company’s debt.

General Provisions for Shareholders’ Meetings

The shareholders’ meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

- (i) To elect or replace the directors and to decide on matters relating to the remuneration of directors;
- (ii) To examine and approve reports of the Board of Directors;
- (iii) To examine and approve the Company’s proposals for profit distribution and loss recovery;
- (iv) To decide on any increase or decrease of the Company’s registered capital;
- (v) To decide on the issue of corporate bonds by the Company;
- (vi) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) To decide on the Company’s appointment and dismissal of accounting firms for auditing services, as well as matters related to the remuneration of accounting firms;
- (ix) To examine and approve the guarantees stipulated in the Article 47 of the Articles of Association;
- (x) To examine matters relating to the purchases and sales of the Company’s material assets within one year, which exceed 30% of the Company’s latest audited total assets;

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- (xi) To examine and approve matters relating to changes in the use of [REDACTED];
- (xii) To examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) To examine and approve major transactions and connected transactions that should be considered and approved by the shareholders’ meeting under the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association;
- (xiv) To examine and approve other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are [REDACTED] or the Articles of Association, which shall be decided by the shareholders’ meeting.

The following acts of external guarantee of the Company shall be submitted to the shareholders’ meeting for deliberation and approval:

- (i) any guarantee provided after the total amounts of the external guarantees provided by the Company and its majority-owned subsidiaries exceed 50% of the latest audited net assets;
- (ii) any guarantee provided after the total amounts of the external guarantees provided by the Company exceed 30% of the latest audited total assets;
- (iii) a guarantee provided by the Company to any person within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (iv) any guarantees provided to companies with an asset-liability ratio exceeding 70%;
- (v) a single guarantee with the amount exceeding 10% of the latest audited net assets of the Company;
- (vi) any guarantees provided for shareholders, actual controllers and their related parties;
- (vii) other guarantees which shall be determined at the shareholders’ meeting as prescribed by the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are [REDACTED] or the Articles of Association.

When the shareholders’ meeting reviews proposals for guarantees provided to shareholders, actual controller, and its connected persons (as defined under the Hong Kong Listing Rules), the shareholder in question or the shareholder under the control of the actual controller shall not participate in the voting on such proposals. The voting on such proposals shall be passed by a majority of the voting rights held by the other shareholders present at the shareholders’ meeting.

The shareholders’ meetings are divided into annual shareholders’ meetings and extraordinary shareholders’ meetings. The annual shareholders’ meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders’ meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) The uncovered losses of the Company reach one-third of its total paid-in share capital;

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- (iii) A request from shareholders who individually or collectively hold 10% or more shares in the Company;
- (iv) The Board of Directors considers it necessary;
- (v) The audit committee proposes that such a meeting shall be held;
- (vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association.

Assembling of Shareholders' Meetings

After obtaining the consent of a majority of all independent directors, an independent director has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after making the board resolution. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

The audit committee's proposal to the Board of Directors to convene an extraordinary shareholders' meeting shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association, give a written reply on whether to convene the extraordinary shareholders' meeting or not within 10 days after receipt of the proposal. If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice of such meeting shall be issued within five days after the resolution of the Board of Directors is passed. Any change to the original proposal in the notice is subject to the consent of the audit committee. If the Board of Directors does not agree to convene the extraordinary shareholders' meeting, or fails to give a reply within 10 days of receipt of the proposal, it is deemed that the Board of Directors is unable to perform or fails to perform its duty to convene a shareholders' meeting, and the audit committee may convene and preside over the meeting on its own.

Shareholder(s) individually or collectively holding 10% or more of the Company's shares request the Board of Directors to convene extraordinary shareholders' meeting, provided that such request shall be made in writing. The Board of Directors shall, in accordance with provisions of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary shareholders' meeting within 10 days after receiving such proposal of the same. In the event that the Board of Directors agrees to convene an extraordinary shareholders' meeting, the notice of a shareholders' meeting shall be issued within five days after the passing of the relevant resolution of the Board of Directors. Any changes to the original request made in the notice shall require prior approval of the shareholders concerned. In the event that the Board of Directors does not agree to convene an extraordinary shareholders' meeting or does not furnish any reply within 10 days after receiving such proposal, shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the audit committee the convening of extraordinary shareholders' meeting, provided that such proposal shall be made in writing. In the event that the audit committee agrees to convene an extraordinary shareholders' meeting, the notice of a shareholders' meeting shall be issued within five days after receiving such request. Any changes to the original request made in the notice shall require prior approval of the shareholders concerned. Failure of the audit committee

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to issue a notice of a shareholders' meeting within the stipulated period shall be deemed as failure of the audit committee to convene and preside over a shareholders' meeting, and shareholder(s) individually or collectively holding 10% or more of the Company's shares for 90 consecutive days or more shall be entitled to convene and preside over the meeting on a unilateral basis.

Proposals and Notices of Shareholders' Meetings

The Company may convene a shareholders' meeting, and the Board of Directors, the audit committee, as well as shareholders who individually or collectively hold more than 1% of the Company's shares, have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal, announcing the content of the temporary proposal and submitting the temporary proposal to the shareholders' meeting for consideration. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, or the Articles of Association, or if it is not within the scope of the shareholders' meeting's authority. If, according to the securities regulatory rules of the place where the shares of the Company are [REDACTED], the shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are [REDACTED].

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the shareholders' meeting, he/she shall not modify the proposals already listed in the notice of the shareholders' meeting or add new proposals. The shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the shareholders' meeting or that do not comply with the provisions of the Articles of Association.

The convener shall notify shareholders by way of announcement 21 days before the convening of an annual shareholders' meeting, and shareholders will be notified by notice 15 days before the convening of an extraordinary shareholders' meeting. When calculating the starting period, the date of the meeting shall not be included.

A notice of a shareholders' meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for consideration;
- (iii) a prominent written statement that all shareholders of ordinary shares are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;
- (iv) the record date of registration of shareholders entitled to attend the shareholders' meeting;
- (v) the name and telephone number of the regular contact person for the meeting;
- (vi) the time and procedure for voting online or through other means.

After the shareholders' meeting notice has been issued, the meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two trading days before the originally scheduled date. If the securities regulatory rules of

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the place where the shares of the Company are [REDACTED] have any other provisions regarding the procedures for postponing or canceling a shareholders’ meeting, such provisions shall prevail, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

Convening of Shareholders’ Meetings

All shareholders of ordinary shares or their proxies registered on the record date for equity registration shall be entitled to attend the shareholders’ meeting, and exercise voting rights at the meeting in accordance with relevant laws, regulations, and the Articles of Association (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the shares of the Company are [REDACTED]). Shareholders may attend the shareholders’ meeting in person or appoint a proxy to attend and vote on their behalf.

Shareholders’ meetings shall be chaired by the Chairman. In the event the Chairman is unable to perform his duties or he does not perform his duties, a director who has been elected by a simple majority of the directors shall chair the meeting. The shareholders’ meeting convened by the audit committee by its own shall be chaired by the convener of the audit committee. In the event that the convener of the audit committee is unable to perform his/her duties or he/she does not perform his/her duties, a member of the audit committee jointly elected by more than half of the members of the audit committee shall chair the meeting. When shareholders convene the shareholders’ meeting on their own, the convener or a representative elected by the convener shall chair the meeting.

If the chairman of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the shareholders present and entitled to vote, the shareholders’ meeting may elect one person to serve as the chairman to continue the meeting.

Voting at the Shareholders’ Meeting

Resolutions of the shareholders’ meetings are classified into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders’ meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders’ meeting (including proxies). A special resolution at a shareholders’ meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders’ meeting (including proxies).

The following matters shall be approved by ordinary resolutions at the shareholders’ meeting:

- (i) Work reports of the Board of Directors;
- (ii) Plans of profit distribution and recovery of losses schemes drafted by the Board of Directors;
- (iii) Appointment or dismissal of the members of the Board of Directors, their remunerations and the payment method;
- (iv) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are [REDACTED] or the Articles of Association.

The following matters shall be approved by special resolutions at the shareholders’ meeting:

- (i) The increase or reduction of the registered capital of the Company;
- (ii) The division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) Any amendment to the Articles of Association;

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- (iv) The purchase and sale of material assets or guarantee provided by the Company to others within one year with the amount of more than 30% of the latest audited total assets of the Company;
- (v) Equity incentive plan;
- (vi) Other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are [REDACTED] or the Articles of Association, and considered by the shareholders’ meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote.

When a related party (connected) transaction is considered at a shareholders’ meeting, the related (connected) shareholders shall abstain from voting and the number of voting shares that they represent shall not be counted towards the total number of valid voting shares. Announcement of resolutions of the shareholders’ meeting shall fully disclose the voting of non-related (non-connected) shareholders.

The shares of the Company held by the Company shall have no voting right, and shall not be counted towards the total number of shares with voting rights of shareholders present at the shareholders’ meeting.

If any shareholder, under applicable laws and regulations and the Hong Kong Listing Rules, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the total number of shares with voting rights.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights of shareholders present at the shareholders’ meeting for 36 months after the purchase.

The Company’s Board of Directors, independent directors, shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authorities of the place where the shares of the Company are [REDACTED] may publicly solicit shareholders’ voting rights. When soliciting shareholders’ voting rights, the specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited. Compensation or disguised compensation for soliciting shareholders, voting rights is prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights other than the statutory conditions.

DIRECTORS AND BOARD OF DIRECTORS

Directors

The directors shall be elected or replaced by the shareholders’ meeting, and may be removed from office by ordinary resolution at the shareholders’ meeting before the term of office of any director (including executive directors) expires (provided that such removal will not affect any claim made by such director for damages according to any contract). The directors serve for a term of office of three years, and may be re-elected and serve consecutive terms upon the expiration of the term.

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The term of office for directors begins on the date of their appointment and ends when the current Board of Directors’ term expires. If the term of office for directors expires and a timely re-election has not taken place, the former directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected directors take office.

If the Board of Directors appoints a director to fill a casual vacancy or as an addition to the Board of Directors, such director shall hold office only until the first annual shareholders’ meeting after his/her appointment and shall be eligible for re-election thereat.

A director may serve concurrently as senior management member, but the total number of directors serving concurrently senior management and employee representative directors shall not be more than half of the directors of the Company.

A director may resign before expiry of his/her term of service. A director shall submit a written resignation notice to the Company when he/she resigns, and the notice shall take effect on the date on which the Company receives the resignation notice. The Company shall disclose the relevant circumstances within two trading days. If the number of the board members falls below the minimum statutory requirement due to a director’s resignation, or the resignation of an independent director results in the proportion of independent directors on the Company’s Board of Directors or special committees no longer complying with laws, regulations, or the provisions of the Articles of Association, or there is no accounting professional among the independent directors, the former directors shall still perform their duties as directors in accordance with the requirements of the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are [REDACTED] and the Articles of Association until an elected director assumes his/her office.

Board of Directors

The Company has the Board of Directors, which consists of seven directors. They are categorized as executive directors, non-executive directors, and independent non-executive directors. The number of independent non-executive directors shall account for at least one-third of the total board members and be no fewer than three.

The Board of Directors has one chairman who shall be elected by the Board of Directors with more than half of all directors.

The Board of Directors shall exercise the following duties and powers:

- (i) to convene shareholders’ meetings and report its work to the shareholders’ meetings;
- (ii) to implement the resolutions of the shareholders’ meetings;
- (iii) to resolve business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (v) to formulate the plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) to draft plans for significant acquisitions of the Company, the purchase of shares of the Company, merger, division, dissolution or change of the form of the Company;

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- (vii) within the scope authorized by the shareholders' meeting or in accordance with the listing rules of the exchange where the shares of the Company are [REDACTED], to decide on matters such as the Company's external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party (connected) transactions, and external donations;
- (viii) to determine the internal management structure of the Company;
- (ix) to decide on the appointment or dismissal of the Company's manager, board secretary, and other senior management personnel, and to determine their remuneration matters as well as rewards and penalties; to decide on the appointment or dismissal of the Company's deputy manager, chief financial officer, and other senior management personnel based on the manager's nomination, and to determine their remuneration matters as well as rewards and penalties.
- (x) to formulate the basic management system of the Company;
- (xi) to formulate proposals for any amendment of the Articles of Association;
- (xii) to manage the information disclosure of the Company;
- (xiii) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (xiv) to listen to work reports of the manager of the Company and review his/her work;
- (xv) to examine and process the transfer of shares held by shareholders of the Company's domestic unlisted shares to foreign investors, or the approval for shareholders of the Company's domestic unlisted shares to convert their holdings into overseas listed shares and list them on a foreign stock exchange.
- (xvi) other duties and powers stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are [REDACTED] or the Articles of Association or granted by the shareholders' meeting.

Matters beyond the scope of such authorization shall be submitted to the shareholders' meeting for consideration.

The Board of Directors shall convene at least four meetings per year, approximately once per quarter, called by the Chairman, and all directors shall be notified in writing at least 14 days prior to the meeting. Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the audit committee may propose to convene an extraordinary meeting of the Board of Directors. The Chairman shall convene and preside over the meeting of the Board of Directors within 10 days after receiving the proposal.

A meeting of the Board of Directors shall be held only if more than half of the directors are present. Resolutions of the Board of Directors must be passed by a majority of all directors, except as otherwise provided by laws, regulations and the Articles of Association.

If a director has an associated relationship with an enterprise or individual involved a resolution of the meeting of the Board of Directors, the director shall promptly submit a written report to the Board of Directors. The director who has an associated relationship shall not exercise the voting right on such resolution, nor shall such director act on behalf of other directors in exercising the voting right. A meeting of the Board of Directors may be held if more than half of the directors without associated relationships are present, and resolutions made at the meeting of the Board of Directors must be passed by a majority of the directors without associated relationships.

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If the number of directors without associated relationships attending the meeting of the Board of Directors is less than three, the matter shall be submitted to the shareholders’ meeting for review. If laws, regulations and the securities regulatory rules of the place where the shares of the Company are [REDACTED] impose any additional restrictions on directors’ participation in meetings of the Board of Directors and voting, such provisions shall prevail.

Directors shall attend board meetings in person. Where a director is unable to attend a meeting for any reason, he/she may by a written power of attorney appoint another director to attend the meeting on his/her behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and the period of the validity of the power of attorney, which shall be signed or officially sealed by the authorizing party. The director attending the meeting on behalf of another director shall exercise the rights of the director within the scope of authorization. Where a director is unable to attend a board meeting and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

Special Committees under the Board of Directors

The Board of Directors of the Company shall establish an audit committee, which shall exercise the functions and powers of the supervisory committee as stipulated under the Company Law.

The Board of Directors of the Company shall establish special committees such as a committee of Environment, Social and Governance (ESG), an audit committee, a nomination committee, a remuneration and appraisal committee. These committees perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for deliberation and decision-making. The working procedures of the special committees are formulated by the Board of Directors.

Senior Management

Senior management referred to in the Articles of Association include the manager, deputy manager, chief financial officer, secretary of the Board of Directors and other personnel as stipulated in the Articles of Association.

The Company shall have a manager who shall be appointed or removed by the Board of Directors. The Company shall have deputy managers who shall be appointed or removed by the Board of Directors. The Company shall have the secretary of the Board of Directors, who shall be responsible for the preparation of the shareholders’ meetings and the meetings of the Board of Directors of the Company, the preservation of the documents and the management of the information on the Company’s shareholders, and the handling of the information disclosure and other issues.

The manager is accountable to the Board of Directors and exercises the following duties and powers:

- (i) To preside over the Company’s production and business management activities, implement the resolutions of the Board of Directors, and report work to the Board of Directors;
- (ii) To implement the Company’s annual business plan and investment programs;
- (iii) To draft proposals for the establishment of internal management institutions of the Company;
- (iv) To draft the Company’s basic management systems;

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- (v) To formulate specific regulations of the Company;
- (vi) To propose to the Board of Directors the appointment or dismissal of deputy managers and the chief financial officer of the Company;
- (vii) To decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (viii) Other duties and powers granted by the Articles of Association or the Board of Directors.

The manager attends the meetings of the Board of Directors as a non-voting member.

Senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If senior management personnel of the Company fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

FINANCIAL ACCOUNTING SYSTEM AND DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations and regulations of relevant authorities of the state.

The Company shall prepare, publish and distribute annual reports and interim reports in accordance with the provisions of relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the shares of the Company are [REDACTED].

The Company shall not have any account books except for its statutory ones. The Company's funds shall not be deposited in any account opened in the name of any individual.

Distribution of Profits

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits to the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

After the Company has extracted the statutory surplus reserve from the after-tax profit, it may, upon resolution of the shareholders' meeting, extract a discretionary surplus reserve from the after-tax profits.

Any surplus of after-tax profits after the Company has made up losses and made allocations to the statutory reserve may be distributed to shareholders in proportion to their shareholdings except for such profits which shall be not distributed according to the proportion of the shareholding as stipulated in the Articles of Association.

No profits shall be distributed in respect of the corporate shares held by the Company.

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The Company’s surplus reserves are used to make up for the Company’s losses, to expand the Company’s production and operations, or to increase the Company’s registered capital. When using surplus reserves to make up for losses, the discretionary surplus reserve and the statutory surplus reserve shall be used first; if they are still insufficient to make up for the losses, the capital surplus reserve may be used in accordance with the regulations.

When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

Internal Audit

The Company shall implement internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The internal audit institution is accountable to the Board of Directors. During the supervision and inspection of the Company’s business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the oversight and guidance of the audit committee. If the internal audit institution discovers any material issues or leads, it shall immediately report directly to the audit committee.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with national laws and regulations, the Hong Kong Listing Rules and the securities regulatory rules of the place where the shares of the Company are [REDACTED] for carrying out the audit of the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and may be renewed.

The appointment and removal of accounting firm by the Company shall be subject to the approval of shareholders’ meetings. The Board of Directors shall not appoint accounting firm before the approval of the shareholders’ meeting.

The Company shall ensure that it provides the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials. The Company shall not refuse, conceal, or provide false information.

The auditing fee of the accounting firm shall be determined by the shareholders’ meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 10 days in advance; when the shareholders’ meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation.

An accounting firm proposing to resign shall state its opinions in the shareholders’ meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity. In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which the resolution in favour of the merger is adopted and shall publish an announcement in a newspaper or the National Enterprise Credit Information

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Publicity System (國家企業信用信息公示系統) within 30 days from the date of such resolution. The creditors have the right to ask for the Company’s settlement of the debts or provision of corresponding guarantee within 30 days from the receipt of the notice or within 45 days from the date of the announcement in case of non-receipt of the notice.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the surviving company or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days from the date of the resolution for the division and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where reducing its registered capital, the Company shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days from the date of the resolution for the reduction of its registered capital at the shareholders’ meeting and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor may within 30 days from the receipt of the notice or, in case where he/she fails to receive such notice within 45 days from the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

- (i) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;
- (ii) a resolution on dissolution is passed by a shareholders’ meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;
- (v) the Company has significant difficulties in operation and management, and its continued existence would cause significant losses to shareholders’ interests, and such issues cannot be solved through other means, shareholders representing 10% or more of the voting rights of the Company may request the people’s court to dissolve the Company.

Where the circumstances of (i) and (ii) set out above occur, and the Company has not yet distributed any property to its shareholders, it may subsist by amending the Articles of Association or by a resolution of a shareholders’ meeting. The amendments to the Articles of Association pursuant to the preceding paragraph or the resolutions of the shareholders’ meeting shall be approved by more than two-thirds of the voting rights held by shareholders attending the shareholders’ meeting.

Where the Company is dissolved pursuant to (i), (ii), (iv) or (v) set out above, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

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The liquidation group shall notify the creditors within 10 days from its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days from the receipt of the notice or within 45 days from the issuance of the public announcement in the case of failing to receive such notice.

When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims. During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the Company’s assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the shareholders’ meeting or the people’s court for confirmation. The Company’s assets shall be used to pay the liquidation expenses, employees’ wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the Company’s debts. The remaining assets shall be distributed among the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company’s assets shall not be distributed to the shareholders before the aforementioned provisions have been complied with.

After sorting out the Company’s assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company’s assets are insufficient to repay the debts, it shall apply to the people’s court for bankruptcy liquidation in accordance with the law.

Upon the completion of the Company’s liquidation, the liquidation group shall prepare a liquidation report, submit it to the shareholders’ meeting or the people’s court for confirmation, and file it with the Company’s registration authority to apply for the deregistration of the Company.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

Amendments to the Articles of Association

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after amendments are made to the Company Law or other relevant laws, administrative regulations, the Hong Kong Listing Rules and securities regulatory rules of the place where the shares of the Company are [REDACTED], the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations, the Hong Kong Listing Rules and securities regulatory rules of the place where the shares of the Company are [REDACTED];
- (ii) where changes occur in the Company’s circumstances, resulting in inconsistency with matters recorded in the Articles of Association;
- (iii) the shareholders’ meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders’ meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws and regulations shall be announced in accordance with provisions thereof.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on December 14, 2017 and was converted into a joint stock limited company on September 15, 2025. Our registered office is located at Rooms 301 and 302, Building 4, Hexiang Technology Center, Qiantang District, Hangzhou, Zhejiang, PRC.

Our Company has established a place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on December 19, 2025. Mr. Ho Pok Man (何博文) has been appointed as our authorized representative for acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company is established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix III — Summary of Articles of Association.”

2. Changes in the Share Capital of Our Company

Save as disclosed in “History, Development and Corporate Structure,” there has been no change in the share capital of our Company within the two years immediately preceding the date of this document.

3. Change in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants’ Report.

Save as disclosed below, there has been no change in the share capital of any of our subsidiaries within the two years immediately preceding the date of this document:

- (a) on April 3, 2024, the registered capital of Highlightll Hainan increased from RMB10,000,000 to RMB30,000,000.

4. Resolutions of Our Shareholders

Pursuant to the resolutions passed at duly convened general meetings of our Shareholders held on October 9, 2025 and November 28, 2025 respectively, our Shareholders resolved that, among others:

- (a) the subdivision of the Shares with a nominal value of RMB1.00 each on a one-for-ten basis immediately prior to the [REDACTED], and taking into account the Share Subdivision, the issuance of H Shares with a nominal value of RMB0.10 each and such H Shares being [REDACTED] on the Stock Exchange;
- (b) the number of H Shares to be [REDACTED] pursuant to the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED] of the number of H Shares initially available under the [REDACTED];
- (c) subject to the filing procedure with the CSRC, upon the completion of the [REDACTED] and taking into account the Share Subdivision, [REDACTED] Unlisted Shares held by existing Shareholders will be converted into H Shares on a one-for-one basis;

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- (d) subject to the completion of the [REDACTED], the grant of a general mandate to our Board to [REDACTED] and [REDACTED] Shares or sell and/or transfer treasury Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue (excluding any Treasury Shares) as at the [REDACTED] (taking into account the Share Subdivision);
- (e) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED], and authorization to our Board to amend the Articles of Association to the extent necessary for the purpose of the [REDACTED]; and
- (f) authorization of our Board or its authorized individual(s) to deal with all matters relating to the [REDACTED] and the [REDACTED].

5. Restriction on Share Repurchase

For details of the restrictions on share repurchase by our Company, see “Appendix III — Summary of Articles of Association.”

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

- (a) the [REDACTED].

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business.

No.	Trademark	Owner
1.		Our Company
2.	高光制药	Our Company
3.	Highlightl Pharma	Our Company

(b) Patents

See “Business — Intellectual Property” for a list of registered patents that we consider to be material to our business as of the Latest Practicable Date.

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(c) *Domain Names*

As of the Latest Practicable Date, we had registered the following internet domain names which we considered to be material to our business:

No.	Domain name	Owner
1.	highlightllpharma.com	Our Company
2.	highlightpharma.com	Our Company

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors’ Service Contracts

We have entered into a service contract with each of our Directors which contains provisions in relation to, among others, term of service and termination. The service contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed in “Directors and Senior Management” and above, we have not entered into, and do not propose to enter into, any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

2. Remuneration of Directors

Save as disclosed in “Directors and Senior Management” and “Appendix I — Accountants’ Report — Notes to the Historical Financial Information — 8. Directors’ emoluments,” none of our Directors received other remuneration or benefits in kind from our Company during the two years ended December 31, 2025 and the three months ended March 31, 2026.

3. Disclosure of Interests

(a) *Interests and short positions of our Directors and chief executive in the Shares and underlying Shares of our Company and our associated corporation*

Save as disclosed below, so far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the conversion of Unlisted Shares to H Shares, none of our Directors or chief executive will have any interest and/or short position in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she is taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

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(i) *Interests in the Shares*

Name	Position	Nature of interest	Number of Shares interested in immediately following the completion of the [REDACTED] ⁽¹⁾⁽²⁾	Approximate percentage of interest in the H Shares immediately following the completion of the [REDACTED] ⁽²⁾	Approximate percentage of interest in the total share capital of our Company immediately following the completion of the [REDACTED] ⁽²⁾
				(%)	(%)
Dr. Liang	Chairman of our Board, executive Director, CEO and general manager	Beneficial owner Interest in controlled corporation ⁽³⁾ Interest of a party to an agreement regarding interest in our Company ⁽⁴⁾	[REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED]

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) The calculation is based on: (i) the total number of [REDACTED] H Shares (taking into account the Share Subdivision) in issue immediately following the completion of the [REDACTED] since [REDACTED] Unlisted Shares (taking into account the Share Subdivision) will be converted into H Shares and [REDACTED] H Shares will be issued pursuant to the [REDACTED], and (ii) the assumption that the [REDACTED] is not exercised.
- (3) The general partner of Highlightl Enterprise Management is Dr. Liang. As such, Dr. Liang is deemed to be interested in the Shares held by Highlightl Enterprise Management under the SFO.
- (4) On September 30, 2021, Dr. Liang and Dr. Liu Xiangdong (劉向東) (“**Dr. Liu**”) entered into a voting proxy agreement, pursuant to which Dr. Liu voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. For details of the voting proxy agreement between Dr. Liang and Dr. Liu, see “History, Development and Corporate Structure — Voting Proxy and Acting-in-concert Arrangements — (a) Voting Proxy Arrangement between Dr. Liang and Dr. Liu.”

(b) *Interests and short positions of our substantial Shareholders in the Shares and underlying Shares of our Company*

For the information on the persons who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the conversion of Unlisted Shares to H Shares, have any interest and/or short position in the Shares or underlying Shares of our Company which will fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, see “Substantial Shareholders.”

4. Disclaimers

Save as disclosed in “History, Development and Corporate Structure” and “Business” and above:

- (a) none of our Directors or experts named in “Qualifications of Experts” in this section is:
 - (i) interested in our promotion, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group; and

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- (b) none of our Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. EMPLOYEE INCENTIVE SCHEME

The following is a summary of the principal terms of the Employee Incentive Scheme approved and adopted by our Shareholders on September 9, 2025. The terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of new options or awards by our Company to subscribe for H Shares after the [REDACTED]. The Employee Incentive Scheme will not cause any dilution of the shareholding of our Shareholders after the [REDACTED] given all underlying Shares of the awards granted under Employee Incentive Scheme have been issued to Highlightll Enterprise Management.

1. Objective

The objective of the Employee Incentive Scheme is to support the development and enhancement of effective incentive and accountability mechanisms within our Company. It aims to establish a sound and equitable value distribution framework that fosters a strong sense of mission, motivation, and innovation among key personnel. Through this initiative, our Company seeks to promote sustainable, healthy and accelerated growth.

2. Eligible Participants

Eligible participants under the Employee Incentive Scheme include senior management personnel, key employees or consultants of our Company identified by our Board or the Scheme Management Working Group (as defined below) as eligible to participate in the Employee Incentive Scheme.

3. Administration

The Employee Incentive Scheme is approved by our Board, which delegates primary responsibility for the execution and management of the Employee Incentive Scheme to Dr. Liang, serving as the team leader, along with two members appointed by him (the “**Scheme Management Working Group**”). In the event that the Scheme Management Working Group is unable to reach a consensus on relevant matters, the opinion of the team leader shall prevail.

Following the initial Shareholders’ approval in 2021, any subsequent implementation arrangements falling within the scope of such Shareholders’ approval may be executed upon review and approval by our Board or delegated to the Scheme Management Working Group for implementation, without submitting to Shareholders’ meeting. However, any amendment, restatement, suspension or termination of the Employee Incentive Scheme shall remain subject to review and approval by the Shareholders’ meeting before becoming effective.

4. Awards

The form of awards available under the Employee Incentive Scheme shall be restricted shares that are subject to limitations on transfer and other rights.

5. Transfer Restrictions

Under the Employee Incentive Scheme, participants are subject to a thirty-six month service period commencing from the date of registration of their partnership interest in Highlightll Enterprise Management, our employee incentive platform, and continuing through the [REDACTED] or change of control. During this period, and for up to 12 months following the

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[REDACTED], participants must maintain continuous service and renew employment agreements as required. Any transfer, pledge or other disposition of awards is strictly prohibited without the prior written consent of the general partner of Highlightll Enterprise Management. In the event of a breach of eligibility, misconduct in Highlightll Enterprise Management, or violation of Company policies, the general partner may compel the participant to transfer his or her partnership interest in Highlightll Enterprise Management at cost or at an adjusted price, depending on the nature of the departure.

Upon completion of the service period, participants who have fulfilled all obligations and have not caused harm to our Company may transfer their unrestricted shares at a negotiated price, subject to applicable laws and the general partner’s right of first refusal. In certain cases of early departure, such as mutual termination or retirement without fault, participants may retain their interests but must defer exit until the service period concludes, bearing any associated transaction costs.

6. Employee Incentive Platform

Highlightll Enterprise Management is a limited partnership established in the PRC. Immediately upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Highlightll Enterprise Management will hold [REDACTED] Shares (taking into account the Share Subdivision), representing approximately [REDACTED] of the total issued Shares of our Company. Dr. Liang is the general partner of Highlightll Enterprise Management holding approximately 66.39% of the partnership interest. As of the Latest Practicable Date, the remaining partnership interest of Highlightll Enterprise Management was held by 16 limited partners, including (i) Dr. Tang Wei (唐煒), our executive Director and senior vice president, who held approximately 6.75% of the partnership interest; (ii) Dr. Huang Junmin, our senior vice president, who held approximately 1.48% of the partnership interest; (iii) Mr. Liu Yong (劉勇), our senior vice president, who held approximately 6.33% of the partnership interest; (iv) Mr. Song Liujun (宋留君), our vice president, who held approximately 4.22% of the partnership interest; and (v) 12 other participants who are our employees, each holding not more than 5% of the partnership interest.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or our subsidiaries.

2. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares to be issued pursuant to the [REDACTED] and the H Shares to be converted from Unlisted Shares, on the Main Board of the Stock Exchange. The Joint Sponsors will receive an aggregate fee of US\$500,000 for acting as joint sponsors for the [REDACTED].

CMB International Capital Limited satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. As AZ-CICC is interested in approximately 9.01% of the issued share capital of our Company as of the Latest Practicable Date, China International Capital Corporation Hong Kong Securities Limited does not consider itself to be independent from our Company according to Rule 3A.07(1) of the Listing Rules.

3. Preliminary Expense

As of the Latest Practicable Date, our Company did not incur any material preliminary expense.

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4. Promoters

The promoters of our Company are all the then Shareholders as of July 31, 2025 immediately before our conversion into a joint stock limited company. Save as otherwise disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters of our Company in connection with the [REDACTED] or the related transactions described in this document.

5. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
CMB International Capital Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
T&C Law Firm	Legal advisor to our Company as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

6. Consent of Experts

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

7. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

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8. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Miscellaneous

- (a) Save as otherwise disclosed “Financial Information,” “History, Development and Corporate Structure” and “[REDACTED],” within the two years immediately preceding the issue of this document:
 - (i) no share or debenture of any member of our Group has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid up otherwise than in cash;
 - (ii) no share or debenture of any member of our Group is under option or agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group; and
 - (iv) no commission has been paid or is payable for subscribing, or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company.
- (b) There are no founder or management or deferred shares in our Company.
- (c) There is no arrangement under which future dividends are waived or agreed to be waived.
- (d) There are no contracts for the hire or hire purchase of plant to or by our Group for a period of over one year which are substantial in relation to our Group’s business.
- (e) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months.
- (f) No part of the equity or debt securities of our Company is [REDACTED] or [REDACTED] on any stock exchange, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Stock Exchange is being or is proposed to be sought.
- (g) Our Company has no outstanding convertible debt securities or debentures.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix IV — Statutory and General Information — E. Other Information — 6. Consent of Experts”; and
- (b) a copy of the material contract referred to in “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract.”

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.highlightpharma.com during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report prepared by KPMG, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the two years ended December 31, 2025 and the three months ended March 31, 2026;
- (d) the report prepared by KPMG on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;
- (e) the PRC legal opinion issued by T&C Law Firm, our PRC Legal Advisor, in respect of certain general corporate matters and property interests of our Group under PRC law;
- (f) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in “Industry Overview”;
- (g) the material contract referred to in “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract”;
- (h) the written consents referred to in “Appendix IV — Statutory and General Information — E. Other Information — 6. Consent of Experts”;
- (i) the service contracts referred to in “Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Particulars of Directors’ Service Contracts”;
- (j) the terms of the Employee Incentive Scheme; and
- (k) the PRC Company Law and the Overseas Listing Trial Measures, together with their unofficial English translations.