

RISK FACTORS

An [REDACTED] in our H Shares involves significant 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. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and prospects. In any such case, the market price of our H Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements" in this document.

RISKS RELATED TO THE RESEARCH AND DEVELOPMENT OF OUR DRUG CANDIDATES

Our business and prospects depend substantially on the successful approval and sales of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected.

Our business and prospects depend substantially on the successful approval and sales of our drug candidates. As of the Latest Practicable Date, we had assembled a pipeline of 13 drug candidates, including seven diagnostic radiopharmaceuticals and six therapeutic radiopharmaceuticals. Our business will depend 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) successful enrollment of patients in, and completion of, clinical trials, as well as completion of preclinical studies; (ii) favorable safety and efficacy data from our clinical trials and other studies; and (iii) receipt of regulatory approvals for our drug candidate.

Our approach to the discovery and development of drug candidates represents a distinctive approach to radiation therapy, which creates significant and potentially unpredictable challenges for us.

Our future success depends on the successful development of our nuclear medicine drug candidates, representing a distinctive approach to radiation therapy. There has been limited historical clinical trial experience, generally, for the development of diagnostic and therapeutic nuclear medicines. As a result, the design and conduct of clinical trials for these drugs is uncertain and subject to increased risk. While radiation as a therapy for cancers has existed for decades, oncology treatment using systemic delivery of targeted nuclear medicines in general is relatively new. As such, it is difficult to accurately predict the developmental challenges we may incur for our drug candidates as they proceed through drug discovery or identification, preclinical studies, and clinical trials, and there may be long-term effects from treatment with our drug candidates that we cannot predict at this time. It is difficult for us to predict the time and cost of the development of our drug candidates, and we cannot predict whether the application of our technology, or any similar or competitive technologies, will result in the identification, development, and regulatory approval of any drugs. The development and manufacturing of nuclear medicine also have a number of unique challenges, including but not limited to the following, thereby increasing the uncertainty of the development process: (i) sourcing clinical and, if approved for commercial sale, commercial supplies for the radioactive materials used to manufacture our drug candidates; (ii) securing reliable transport for our drug candidates given that isotope stability times are limited once a molecule has been bound; and (iii) educating medical personnel regarding the potential side effect profile of our drug candidates.

Clinical drug development is a lengthy and expensive process with uncertain timelines and outcomes. Delays or failures in clinical trials or regulatory approvals may materially and adversely affect our business, financial condition, results of operations and prospects.

Currently, all of our drug candidates are in clinical and pre-clinical development stage. Preclinical studies and clinical trials are expensive and can take many years to complete, and

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their outcomes are inherently uncertain. Failure can occur at any time during this process, and, across the industry, a small number of programs advance from the research and development stage into clinical development. Our future clinical trial results may not be successful.

For our current and future drug candidates, we may not be able to file such INDs on the timelines we expect. Further, we may not be able to file INDs for current drug candidates in additional indications on the timelines we expect. For example, we may experience supply or manufacturing delays or other delays with IND-enabling studies. Moreover, we cannot be sure that submission of an IND will result in the NMPA, the FDA or comparable regulatory authorities, allowing clinical trials to begin, or that, once begun, issues will not arise that suspend or terminate clinical trials. Additionally, even if such regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND, or similar applications, we cannot guarantee that such regulatory authorities will not change their requirements in the future. We also cannot predict that approval of an IND or similar application by the NMPA, the FDA or comparable regulatory authorities will result in approval of similar applications to conduct clinical trials. These considerations also apply to new clinical trials we may submit as amendments to existing INDs or similar approvals. We do not know whether planned clinical trials will begin on time, need to be redesigned, enroll patients on time, or be completed on schedule, if at all.

Clinical trials can be delayed, suspended, or terminated for a variety of reasons, including but not limited to the following: (i) delays in or failure to obtain regulatory authorization to commence a clinical trial; (ii) delays in or failure to obtain institutional review board, or IRB, approval at each site or national competent authority approvals including positive ethics committee opinions; and (iii) delays in or failure to reach agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites. If we experience delays in the completion of, or termination of, any clinical trial, the commercial prospects of our drug candidates will be harmed, and our ability to generate revenue from sales of any drugs will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our development and approval process, and jeopardize our ability to commence drug sales and generate revenue. Significant clinical trial delays could also allow our competitors to bring drugs to market before we do or shorten any periods during which we have the exclusive right to commercialize our drug candidates and impair our ability to commercialize our drug candidates and may harm our business, financial condition, results of operations and prospects.

The development and commercialization of drug candidates is subject to extensive regulation. We have not previously submitted an NDA to the NMPA, the FDA, or similar marketing applications to comparable regulatory authorities. An NDA must include extensive preclinical and clinical data and supporting information to establish the drug candidate's safety, purity and potency for each desired indication. The NDA must also include significant information regarding the manufacturing controls for the drug. We expect the distinctive nature of our drug candidates to create further challenges in obtaining regulatory approval.

Any of our drug candidates could fail to receive regulatory approval for many reasons, including but not limited to the following: (i) the NMPA, the FDA, or comparable regulatory authorities may disagree with the design or implementation of our clinical trials; (ii) we may be unable to demonstrate to the satisfaction of the NMPA, the FDA, or comparable regulatory authorities that a drug candidate is safe and effective for its proposed indication; and (iii) the results of clinical trials may not meet the level of statistical significance required by the NMPA, the FDA, or comparable regulatory authorities for approval.

This lengthy approval process, as well as the unpredictability of clinical trial results, may result in our failing to obtain regulatory approval to market any of our drug candidates, which would significantly harm our business, financial condition, results of operations and prospects. The comparable regulatory authorities have substantial discretion in the approval process and determining when or whether regulatory approval will be obtained for our drug candidates. In addition, even if we were to obtain approval, regulatory authorities may approve our drug candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our drugs, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that does not include the labeling claims necessary or desirable for the successful

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commercialization of that drug candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our drug candidates.

We face intense competition and rapid technological change. If our competitors develop therapies that are similar, more advanced, or more effective than ours, or launch products and therapies ahead of us, we may not be able to effectively compete with them.

The development and commercialization of new drugs is highly competitive and rapidly evolving. We face and will continue to face competition from third parties that develop nuclear medicines and from companies focused on more traditional therapeutic modalities for cancer treatment. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection, and establish collaborative arrangements for research, development, manufacturing, and commercialization of new drugs. Our drug and drug candidates also compete with other existing approved products targeting the same indication in the market. Our competitors will include companies that are or will be developing other treatment methods as well as therapies for the same indications in cancer treatment that we are targeting. Moreover, many of these indications may already have approved standards of care, which may include more traditional therapeutic modalities. In order to compete effectively with these existing and new therapies, we may need to demonstrate that our therapies are favorable to existing and other new therapeutics and obtain comparable coverage and reimbursement for our drug candidates. Many of our current or future competitors have significantly greater financial resources and expertise than we do. Mergers and acquisitions in the biotechnology, pharmaceutical and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Furthermore, disruptive technologies and medical breakthroughs may further intensify the competition and render our drugs and drug candidates uneconomical or obsolete, and we may not be successful in marketing our drugs and drug candidates against competitors. As the market continues to evolve, competitors may introduce new or improved radiopharmaceutical products or services more quickly than we do. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we or our collaborators may develop.

Our clinical trials may fail to demonstrate substantial evidence of the safety and efficacy of our drug candidates to the satisfaction of regulatory authorities or do not otherwise produce positive results, which would incur additional costs and prevent or delay or limit the scope of regulatory approval and commercialization.

To obtain the requisite regulatory approvals to market and sell our drug candidates, we must demonstrate through clinical trials that such drug candidates are safe and effective for use in each targeted indication. Most drug candidates that begin clinical trials are never approved by regulatory authorities for commercialization. Unforeseen side effects could arise either during clinical development or, if such side effects are rarer, after our drugs have been approved by regulatory authorities and the approved drug has been marketed, resulting in the exposure of additional patients than if such side effect had arisen during a clinical trial. Furthermore, there may be long-term effects from treatment with our therapeutic drug candidates that we cannot predict at this time. Further, we may be unable to establish clinical endpoints that applicable regulatory authorities would consider clinically meaningful, and a clinical trial can fail at any stage of testing. Clinical trials that we conduct may not demonstrate the efficacy and safety necessary to obtain regulatory approval to market our drug candidates. Moreover, if unacceptable toxicities, undesirable side effects or adverse drug-drug interactions arise in the development of any of our drug candidates alone or in combination with other therapies, we could suspend or terminate our trials, or the comparable regulatory authorities could order us to cease clinical trials, deny approval of the drug candidate for any or all targeted indications or require a more restrictive label. If the results of our current clinical trials or any future clinical trials are inconclusive with respect to the efficacy of drug candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, if there are safety concerns associated with any of our

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current or future drug candidates, or if the results observed cannot be replicated, we may be delayed in obtaining regulatory approval, if at all.

Even if the trials are successfully completed, clinical data is often susceptible to varying interpretations and analyses, and we cannot guarantee that the comparable regulatory authorities will interpret the results as we do, and more trials could be required before we submit any future NDA or comparable foreign application. We cannot guarantee that the comparable regulatory authorities will view our existing or future drug candidates as having efficacy even if positive results are observed in clinical trials. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. To the extent that the results of the clinical trials are not satisfactory to the comparable regulatory authorities for support of a regulatory application, approval of our existing or future drug candidates may be significantly delayed, or we may be required to expend significant additional resources, which may not be available to us, to conduct additional development work. Even if regulatory approval is secured for a drug candidate, the terms of such approval may limit the scope and use of the specific drug candidate, which may also limit its commercial potential.

We depend on the successful enrollment and retention of patients in our clinical trials. If we experience delays or difficulties enrolling or retaining patients in our ongoing or planned clinical trials, our receipt of necessary regulatory approval could be materially adversely affected.

Successful and timely completion of clinical trials will require that we enroll and retain a sufficient number of patient candidates. Any clinical trials we conduct may be subject to delays for a variety of reasons, including as a result of patient enrollment taking longer than anticipated, patient withdrawal, or adverse events. These types of developments could cause us to delay the trial or halt further development. As the number of qualified clinical investigators and clinical trial sites capable of administering nuclear medicines is limited, we may conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites. Enrollment may also depend in part on the medical community and public's perception of our drug candidates or those of our competitors. Adverse events in our preclinical studies or clinical trials or those of our competitors or of academic researchers, or similar technologies, even if not ultimately attributable to drug candidates we may discover and develop, and the resulting publicity could result in unfavorable public perception and adversely impact our ability to enroll in clinical trials.

Delays in the completion of any clinical trial of our drug candidates will increase our costs, slow down the development and approval process, and delay or potentially jeopardize our ability to commence drug sales and generate revenue. In addition, some 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 current and future drug candidates.

Our nuclear medicine drug candidates have time-limited stability and consequently limited shelf lives due to radioactive decay. This decay not only makes them susceptible to damage and loss but also increases our costs for manufacturing and logistics.

Our nuclear medicine drug candidates generally have a shelf life of eight to 72 hours. These drug candidates accordingly require production facilities located in close proximity to their final customers and reliable transportation to avoid spoilage, damage and/or loss. The failure of third parties with whom we contract to deliver these drug candidates within the scope of their limited shelf lives could result in the loss of a given shipment and the sales associated with it. In addition, as our products contain radioactive elements, any delay in shipment results in a loss of the radioactive dose as a result of radioactive decay, with the risk that the entire useful dose may be lost. Moreover, since each order is made individually or in small batches and delivered with dedicated transportation in compliance with local and international regulations applicable to the delivery of radioactive materials, we do not have readily available replacements to substitute for a lost delivery if circumstances beyond our control, such as delays or problems caused by weather changes or a failure in the transportation system operated by third parties that we hire, prevent the timely delivery of a batch, or if our facilities fail to distribute the ordered batch in a timely fashion in accordance with specifications. If such losses or failures were to occur, we could suffer harm to our reputation and a loss of customers and sales, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, if one or more of our facilities were to experience downtime, the limited shelf life of our drug candidates would make it difficult for us to replace such facilities'

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production since the replacement drug or drug candidate may need to be delivered from a facility that is geographically distant from ordering customers. The logistical complexity of fulfilling such customer orders through an alternate, more geographically removed facility may make it impracticable or unduly costly to fulfill the orders of customers in a region where our facility or facilities are experiencing downtime. If we are unable to fulfill orders from our customers in such regions, we may lose such customers, which could have a material adverse effect on our business, financial condition and results of operations.

Results of preclinical studies and early-stage clinical trials may not be predictive of the results of future clinical trials.

Success in preclinical studies does not ensure that later preclinical studies or clinical trials will be successful. Biotechnology companies may suffer significant setbacks in clinical trials, even after positive results in preclinical and earlier clinical trials. These setbacks may be caused by, among other things, negative preclinical findings identified after clinical trials have already commenced and safety or efficacy observations made in clinical trials, including previously unanticipated adverse events. We cannot predict if the comparable regulatory authority will consider the data from our preclinical studies sufficient to support approval of an IND or similar application. In addition, preclinical data is often susceptible to varying interpretations and analyses, which could require us to repeat or conduct additional preclinical studies. Notwithstanding any potential promising results in earlier studies, we cannot be certain that we will not face similar setbacks. In addition, the results of our preclinical animal studies, may not be predictive of the results of outcomes in subsequent clinical trials on human subjects, we may experience longer development timelines, encounter greater uncertainty, and face higher clinical risk once entered into human clinical trials stages.

Likewise, the results of any early-stage clinical trials may not be predictive of the results of the later-stage clinical trials, which tend to be substantially larger. The preliminary results of clinical trials with smaller sample sizes can be disproportionately influenced by various biases associated with the conduct of small clinical trials, such as the potential failure of the smaller sample size to accurately depict the features of the broader patient population, which limits the ability to generalize the results across a broader community, thus making the clinical trial results less reliable than clinical trials with a larger number of patients. With significantly more patients enrolled in later-stage clinical trials, we may not achieve a statistically significant result or the same level of statistical significance, if any, that we observed in the early-stage clinical trial. Differences in trial design between early-stage clinical trials and later-stage clinical trials make it difficult to extrapolate the results of earlier clinical trials to later clinical trials. In addition, results in one indication may also not be predictive of results to be expected for the same drug candidate in another indication.

If we fail to receive positive results in preclinical studies or early-stage clinical trials, or those results are not replicated in later-stage clinical trials of any drug candidate or across indications for that drug candidate, the development timeline and regulatory approval and commercialization prospects for that drug candidate, and, correspondingly, our business, financial condition, results of operations and prospects, would be harmed.

We may not be successful in our efforts to identify or discover new promising drug candidates, or to identify additional therapeutic opportunities for our drug candidates.

The success of our business depends primarily upon our ability to identify, develop, and commercialize diagnostic and therapeutic nuclear medical drug candidates across a range of cancer indications. We are continuing to discover potential drug candidates in new research programs. Our research programs may initially show promise in identifying potential drug candidates, yet fail to yield additional drug candidates for clinical development for several reasons, including but not limited to: (i) our research methodology or that of our collaboration partners may be unsuccessful in identifying potential drug candidates; (ii) potential drug candidates may be shown to have harmful side effects or may have other characteristics that may make the drugs unmarketable or unlikely to receive regulatory approval; and (iii) it may be too difficult to obtain relevant radioactive supplies for a given construct on acceptable terms, or at all.

There can be no assurance that we will be able to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs, thereby limiting our ability to diversify and expand our drug portfolio, which could materially and adversely affect our future growth and prospects.

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If any of these events occur, we may be forced to abandon our development efforts for a program or programs, which would adversely affect our business and could potentially cause us to cease operations. Research programs to identify new drug candidates require substantial technical, financial, and human resources. We may focus our efforts and resources on potential programs or drug candidates that ultimately prove to be unsuccessful.

We may expend our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may be more profitable or for which there is a greater likelihood of success.

As we have limited financial and managerial resources, we focus our development efforts on research programs, and drug candidates that we identify for specific indications. As a result, 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 resource allocation decisions may cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our spending on current and future research and development programs and drug candidates for specific indications may not yield any commercially viable drugs. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may need to 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, or we may allocate internal resources to a drug candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

All material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated. Any failure to comply with relevant laws and regulations may adversely affect the business, financial condition, results of operations and prospects of our Group.

We operate in a highly-regulated industry. Evolutions and differences in these regulatory regimes could lead to an increased and costly regulatory compliance burden. We are required to obtain and maintain various licenses and permits for conducting our business. These permits, licenses and certificates include, without limitation, radiation safety license (輻射安全許可證) and laboratory animal use license (實驗動物使用許可證). Each such permit and certificate has a specified term and is subject to periodical renewal. The process of obtaining regulatory approvals and compliance with appropriate laws, regulations and guidance requires the expenditure of substantial time and financial resources. 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. These sanctions could include refusal to approve pending applications, withdrawal of an approval, license revocation; clinical hold, voluntary or mandatory product recalls, product seizures; total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution and disgorgement, or other civil or criminal penalties.

In many countries or regions where a drug is intended to be ultimately sold, including China and the U.S., the relevant government agencies and industry regulatory bodies impose high standards on the efficacy of such drug, as well as strict rules, regulations and industry standards on how we develop such drug. Any failure to comply with existing laws, regulations and industry standards could result in fines or other punitive actions against us, the termination of ongoing research and the disqualification of data for submission to regulatory authorities, or a ban on the future sales of our drugs, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations and prospects. In addition, any action against us for violation of the relevant laws, regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and adversely affect our reputation and financial results.

Our ability to develop our platform technologies and future drug candidates for our future growth depends on retaining our key personnel and recruiting additional qualified personnel.

Our success depends upon the continued contributions of our key management, scientific, and technical personnel, many of whom have been instrumental for us and have

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substantial experience with our nuclear medicines, our technology platforms, as well as development processes and capabilities, underlying technologies, and related drug candidates. For further details of their expertise and experience, see "Directors and Senior Management" in this document. Given the specialized nature of technologies developed and used in nuclear medicines, there is an inherent scarcity of experienced personnel in these fields. As we continue developing our pipeline, we will require personnel with medical, scientific, or technical qualifications specific to each program. The loss of key managers and senior scientists could delay our research and development activities. Members of our management, scientific, and development teams may terminate their employment with us on short notice. Although we have employment agreements with our key employees, these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice. The competition for qualified personnel in the biotechnology industry is intense, and our future success depends upon our ability to attract, retain, and motivate scientific, technical, and managerial employees. We face competition for personnel from other companies, universities, public and private research institutions, and other organizations. If our recruitment and retention efforts are unsuccessful in the future, it may be difficult for us to implement our business strategy, which could have a material adverse effect on our business.

In addition, our research and development programs, clinical operations and sales and marketing efforts depend on our ability to attract and retain scientists, engineers, and sales professionals. Competition for personnel in our market is intense, and we have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications on acceptable terms, or at all. Many of the companies with which we compete for experienced personnel have greater resources than we do, and any of our employees may terminate their employment with us at any time. Failure to succeed in preclinical studies, clinical trials or applications for regulatory approval may make it more difficult to recruit or retain qualified personnel. Moreover, if we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources and, potentially, damages. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business, financial condition, results of operations and prospects would be harmed.

RISKS RELATED TO THE MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

Manufacturing of nuclear medicines is exacting, complex and highly-regulated, and we may encounter difficulties in production.

Nuclear medicines contain small amounts of radioisotopes that can be produced by irradiating a specific target inside a nuclear research reactor or in particle accelerators, such as cyclotrons. Once produced, the radioisotopes are tagged on to certain molecules based on biological characteristics, which results in nuclear medicines. As with any medicinal product, nuclear medicines are required to be produced under carefully controlled conditions and are tested for their quality before they are administered to patients, using validated standard operating procedures. The production of nuclear medicines involves the handling of large quantities of radioactive substances and chemical processing. While still on a relatively small scale in comparison to the production of conventional pharmaceuticals, it involves a number of aspects that can be quite demanding for small-scale manufacturers. These include the operation and maintenance of processing facilities, complying with the codes of current good manufacturing practices, ensuring effective quality assurance and quality control systems, radioactive material transport, and registration of the products with the relevant health authorities. Additionally, as a number of our drug candidates progress through preclinical studies and clinical trials towards potential approval and commercialization, it is expected that various aspects of the manufacturing process will be altered in an effort to optimize processes and results. Such changes may require new submissions to and approval from regulators, which may further delay the timeframes under which modified manufacturing processes can be used for our drug candidates, and additional bridging studies or trials may be required. We, our contract manufacturers, any future collaborators and their contract manufacturers could be subject to periodic unannounced inspections by the comparable regulatory authorities, to monitor and ensure compliance with current good manufacturing practices ("cGMPs") or similar foreign requirements. Despite our efforts to audit and verify regulatory compliance, we or one or more of our third-party manufacturing vendors may be found on regulatory inspection by the comparable regulatory authorities to be non-compliant

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with cGMPs or similar foreign regulations. This may result in shutdown of our facility or that of the third-party vendor or invalidation of product lots or processes, which could adversely affect our business, financial condition, results of operations and prospects. In some cases, a product recall may be warranted or required, which would materially affect our ability to supply and market our products and could be costly and result in reputational damage.

We may be unable to generate and/or obtain a sufficient supply of radioisotopes to support clinical development or manufacturing at commercial scale.

We are developing nuclear medicines for diagnosis and treatment purposes, which involves patient administration using radioisotopes. Important isotopes applicable to our current pipeline of diagnostic and therapeutic drug candidates include ^{18}F , ^{177}Lu , ^{68}Ga , ^{225}Ac and ^{212}Pb . During the Track Record Period, we primarily procured these isotopes from suppliers based in China. There is a limited supply of some radioisotopes due to the scarcity of radioactive precursors required to produce the radioisotopes, as well as the complexity involved in manufacturing isotopes to the required quality and purity standards for effective radiolabeling. Isotope suppliers may have limited production capacity to meet future commercial demand, and there is no guarantee that production will start in the time frame we expect. In addition, we have no control over our suppliers' compliance with regulatory and government agencies. There can be no assurance that our suppliers will renew existing contracts on acceptable terms, or even at all. Additionally, failure to acquire enough medical-grade isotopes for specific drug candidates would make it impossible to effectively complete clinical trials, especially as we scale up for later-stage clinical trials, and to commercialize any drug candidates that we may develop, which would materially harm our business.

Our isotope suppliers obtain radioactive materials from source material countries in accordance with applicable laws and export regulations, usually under medical exemption, and then use the raw materials to manufacture the radioisotopes for onward clinical sales and commercial sales to third parties, including governments, hospitals and pharmaceutical companies. We and our suppliers may be exposed to a number of environmental and geopolitical risks beyond radioactive raw material availability and other unforeseen geopolitical factors that limit our ability to access our supply of raw material. We may experience raw materials supply shortage or delays in the future, and any such shortage or delay could have an adverse material impact on our development plans and business. We expect to continue to monitor and adapt our development plans as necessary in response to environmental and geopolitical risks. Any difficulty that our suppliers have in procuring raw materials may also magnify the impact of other risks described in this document.

We have limited experience in manufacturing nuclear medicines on a large commercial scale and our business could be materially and adversely affected if we encounter problems in manufacturing our future drug products.

We have limited experience in manufacturing nuclear medicines on a large commercial scale, which is a complex process requiring significant expertise and capital investment, in part due to strict regulatory requirements. The problems that may arise from the manufacturing process include but are not limited to: (i) equipment malfunction; (ii) failure to follow specific protocols and procedures; and (iii) changes in product specifications.

If problems arise during the production process of certain future products, a batch or several related batches of such product may have to be discarded and cause production delays, cost increases, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the products are released to the market, recall and product liability costs may also be incurred.

In addition, the quality of our drugs manufactured for commercial use in the future, depends significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes used in manufacturing facility, the quality and reliability of equipment used, the quality of the operating staff and related training programs and our ability to ensure that our staff and CDMOs adhere to our quality control and quality assurance procedures. 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. Any significant failure or deterioration of our quality

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control and quality assurance procedures could render our products unsuitable for use, or not in compliance with the relevant requirements of the cGMP and/or harm our market reputation and relationships with business partners.

If we fail to timely obtain and maintain regulatory approvals for our manufacturing facility and third-party manufacturers, or if our manufacturing capabilities are disrupted or insufficient, our business and results of operations may be materially and adversely affected.

We have already commenced the construction of our new manufacturing facility occupying a site area of approximately 4,886 square meters in Yantai, Shandong province, which is designed to meet the stringent cGMP standards. As of the Latest Practicable Date, our facility is under the pilot production. We may also in the future continue to expand our manufacturing capability. If we fail to timely obtain and maintain regulatory approvals for our manufacturing facility, we may not be able to manufacture sufficient quantities of our drug candidates, once approved, which would limit our development and commercialization activities and our opportunities for growth. Cost overruns associated with maintaining our manufacturing facility could require us to raise additional funds from other sources. Our manufacturing facility is designed in compliance with the regulatory requirements and stringent cGMP standards. We cannot guarantee, however, that we will be able to adequately follow and document our adherence to such cGMP regulations or other regulatory requirements. Failure to obtain and maintain such regulatory approvals may materially affect our R&D activities and seriously delay the clinical trials and commercialization of our drug candidates, once approved. We may also encounter problems with achieving adequate or clinical-grade products that meet the comparable regulatory authority standards or specifications, or maintaining consistent and acceptable production costs. We may be unable to secure temporary, alternative manufacturers for our drugs with the terms, quality, and costs acceptable to us, or at all. Such an event could delay our clinical trials and/or the availability of our products for commercial sale. Moreover, we may spend significant time and costs to remedy these deficiencies before we can continue production at our manufacturing facility. We may also be subject to sanctions for failure to comply with applicable regulations. If our manufacturing facility or equipment is damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all. In the event of a temporary or protracted loss of the facility or equipment, we might not be able to transfer manufacturing to a third party. Any interruption in manufacturing operations at our manufacturing facility could result in our inability to satisfy the demands of our clinical trials or commercialization.

In addition to our internal manufacturing capabilities, we currently rely, and expect to continue to rely, on third-party CMOs/CDMOs to manufacture our drug candidates for preclinical studies, clinical trials and future commercialization. We have limited control over their operations. Reliance on third-party manufacturers exposes us to risks including their potential failure to secure or maintain regulatory approvals, comply with cGMP, produce sufficient quantities of our drug candidates on the required schedule or quality, maintain adequate capacity, or avoid contamination, stability or quality-control issues. CMOs/CDMOs are subject to regulatory inspections, and any deficiencies could result in regulatory actions affecting our products or supply chain. In addition, some CMOs/CDMOs may make manufacturing-related improvements or use our proprietary information in ways that give rise to intellectual property risks or disputes. CMOs/CDMOs are also subject to supply chain, labor, natural disaster and geopolitical risks that could disrupt operations. In addition, we will rely on third parties to perform certain specification tests on our drug candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm, and regulatory authorities could place significant restrictions on us until deficiencies are remedied. Furthermore, if contaminants are discovered in our supply of our drug candidates or in the manufacturing facilities of our CMOs/CDMOs, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. We cannot assure you that any stability failures or other issues relating to the manufacture of our drug candidates will not occur in the future in relation with our CMOs/CDMOs. Any delay or interruption in the provision of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to begin new clinical trials at additional expense or terminate clinical trials completely.

Any failure to perform proper quality control and quality assurance would have a material adverse effect on our business and financial results.

The manufacturing of nuclear medicines is subject to complex laws and regulations. These regulations govern manufacturing processes and procedures, including record keeping

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and the implementation and operation of quality management systems to control and assure the quality of investigational products and products approved for sale. We and/or our third-party manufacturers will apply stringent quality controls at each stage of its production process to comply with these requirements. We and/or our third-party manufacturers perform extensive tests throughout the manufacturing processes to ensure the safety and effectiveness of its drug candidates. We and/or our third-party manufacturers may, however, detect instances in which an unreleased product was produced without adherence to our manufacturing procedures or the raw material used in the production process was not collected to store in accordance with the cGMP or other regulations, resulting in a determination that the implicated products should be destroyed. In addition, if we and/or our third-party manufacturers fail to comply with relevant quality control requirements under laws and cGMP, we could experience a disruption in the supply of our drug candidates, which could delay or prevent further sales of such drug candidates, which could have a material adverse effect on our business and financial results. In addition, quality issues may arise during scale-up activities. If we and/or our third-party manufacturers are unable to successfully ensure consistent and high quality of our drug candidates during large-volume production, the sales of our drug candidates may not be able to be promoted, which could have a material adverse effect on our business and financial results.

The commercial success of our drug candidates, if approved, will depend upon public perception of nuclear medicines and the degree of their market acceptance by physicians, patients, healthcare payors and others in the medical community.

Adverse events in clinical trials of our drug candidates, or in clinical trials or other studies conducted by others involving similar products, and the resulting negative publicity, as well as any other adverse events in the field of nuclear medicines that may occur in the future, could result in a decrease in demand for any drug candidates that we may develop. If public perception is influenced by claims that nuclear medicines or specific therapies within nuclear medicines are unsafe, any drug candidates for which we obtain approval may not be accepted by the general public or the medical community. In particular, the commercial success of our drug candidates, if approved, will depend upon, among other things, these products gaining and maintaining acceptance by physicians, patients, third-party payors, and other members of the medical community as efficacious and cost-effective alternatives to competing products and treatments. If any of our drug candidates, once approved, do not achieve and maintain an adequate level of acceptance, we may not generate material sales of that product or be able to successfully commercialize it. The degree of market acceptance of our existing or future drug candidates, if approved, will depend on a number of factors, including but not limited to: (i) our ability to provide acceptable evidence of safety and efficacy; (ii) the prevalence and severity of any side effects in general, and differentiation relative to other treatments; and (iii) limitations or warnings contained in the labeling approved for our drug candidates by the NMPA, the FDA or other comparable regulatory authorities.

We have no track record with limited experience in launching and marketing approved drugs. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our drug candidates, if approved for commercial sales, we may not be able to generate product revenue.

We intend to develop our own commercialization team and network, tasked for tailored marketing strategies, product positioning, market access, market penetration, promotion activities, and patient support. We expect our marketing and sales team to assist relevant industry experts understand the mechanism of action, clinical data and differentiation of our products. We plan to start setting up our in-house sales and marketing team ahead of the approval for commercialization of our drug candidates.

We may also consider pursuing collaborative arrangements regarding the sales and marketing of our drug candidates, if approved and licensed. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if it is able to do so, that the third-party collaborators will have effective sales forces. We may fail to identify competent third parties for the future clinical development and commercialization of our drug candidates, or fail to identify such partners within the anticipated timeframe, which may result in delay or termination of clinical development and/or commercialization of our drug candidates. Any revenue we receive will depend upon the efforts of such third parties, which may not be successful. We may have little or no control over the marketing and sales efforts of such third parties and the revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. We also face competition in our search for

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third parties to assist us with the sales and marketing efforts of our drug candidates. Even if we built up the collaboration relationship with third parties, we may not achieve the revenue and cost synergies expected from the collaboration. Also, disputes may arise between us and our collaboration partners.

There can be no assurance that we will be able to develop in-house sales and distribution capabilities or establish or maintain relationships with third-party collaborators to commercialize any product in the PRC or overseas for which we are able to obtain regulatory approval.

The market opportunities for our drug candidates may be smaller than we anticipated or may be limited to those patients who are ineligible for or have failed prior treatments.

Our current and future target patient populations are based on our beliefs and estimates regarding the incidence or prevalence of certain types of oncology and cancers that may be addressable by our drug candidates, which are derived from a variety of sources, including scientific literature and surveys of clinics. Our estimates may prove to be incorrect and the number of potential patients may turn out to be lower than expected. Even if we obtain significant market share for our drug candidates, because the potential target populations could be small, we may never achieve profitability without obtaining regulatory approval for additional indications, including use of our drug candidates for front-line and second-line therapy.

If our products are not included in or are removed from national, provincial or other government sponsored medical insurance programs in the PRC, or we failed to obtain or maintain coverage and adequate reimbursement for our drug candidates in overseas markets, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Under medical insurance programs in the PRC, patients are entitled to full or partial reimbursement of costs for pharmaceutical products listed in the NRDL or relevant provincial medical insurance catalogs, or included in provincial insurance schemes regarding special medications for the treatment of major diseases, or other medical insurance reimbursement lists. The inclusion or exclusion of a pharmaceutical product in or from any of such medical insurance catalogs, or any limitation imposed on the coverage of a pharmaceutical product, will significantly affect the demand for such product in the PRC. We cannot guarantee that our products will be included in the NRDL once commercialized. The selection of pharmaceutical products for listing in medical insurance catalogs is based on a variety of factors, including clinical needs, frequency of use, effectiveness, safety and price, many of which are beyond our control. Moreover, the relevant PRC government authorities may also review and revise, or change the scope of reimbursement for, the products that are already listed in any medical insurance catalog. There can be no assurance that any of our products currently listed in these medical insurance catalogs will remain listed, or that changes in the scope of reimbursement will not negatively affect our products. Furthermore, if we are unable to get new products listed in these medical insurance catalogs, our business prospects could be adversely affected.

In addition, the regulations that govern marketing approvals, pricing, coverage, and reimbursement for new drugs and other medical products vary widely from country to country. In some foreign markets, pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenue we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drugs or drug candidates, even if any drug candidates we may develop obtain marketing approval. Our ability to successfully commercialize our drug candidates in overseas markets also will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers, and other organizations. Government authorities and third-party payors decide which medications they will pay for and establish reimbursement levels. If coverage and adequate reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our drugs or drug candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

Other downward pressure in the pricing of our products when commercialized may have a material adverse effect on our business and results of operations.

In line with market practice, we expect to price our drug candidates (upon commercialization) by taking into consideration a variety of factors, including pricing

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guidance and centralized procurement policies set by the government authorities, bargaining power and preferences of hospitals, prices of similar products offered by our competitors, our operating costs and the continuous upgrades of existing products, among others, and some of which are beyond our control: If the PRC government issues pricing guidance for our drug candidates (upon commercialization), it may negatively affect the price at which we can sell our products and therefore have a material adverse effect on our business and results of operations. We may also face downward pricing pressure if our products are included in the medical insurance reimbursement list, even if such inclusion in the medical insurance reimbursement list is expected to increase the sales volume of our products. Hospitals may gain more bargaining power depending on the availability of alternative products, demands of patients and the preferences of physicians. If certain hospitals seek to lower retail prices of our drug candidates (upon commercialization), our future profitability may be adversely affected.

Furthermore, along with our increasing efforts to promote our drug candidates, as well as our competitors' continuous development of similar drug candidates, awareness of these products is expected to increase. In addition, with the development of technologies and increasing competition in the industry, we may experience reduced pricing from our drug candidates (upon commercialization), particularly along with the launch of new products that can replace or further improve the safety and efficacy profile of our drug candidates (upon commercialization), while the manufacturing and material costs may remain constant or increase. If we are unable to successfully introduce more advanced and/or more profitable new products to the market, or if we fail to effectively control our operating and manufacturing costs, our business, financial condition and results of operations could be materially and adversely affected.

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 relative 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.

RISKS RELATED TO EXTENSIVE GOVERNMENT REGULATION

Even if our drug candidates obtain regulatory approval, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, any of our current and future drug candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we experience unanticipated problems with our drugs.

If the NMPA, the FDA, or comparable regulatory authorities approves any of our drug candidates, the manufacturing facilities and processes, testing, labeling, packaging, distribution, import, export, adverse event reporting, storage, advertising, promotion, and recordkeeping for the drug will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with GMPs and GCPs for any clinical trials that we conduct post-approval, all of which may result in significant expense and limit our ability to commercialize such drugs. In addition, any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing.

If there are changes in the application of legislation or regulatory policies, or if problems are discovered with a drug or our manufacture of a drug, or if one of our distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include issuing warning letters, imposing fines on us, imposing restrictions on the drug or its manufacture, and requiring us to recall or remove

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the drug from the market. The regulators could also suspend any of our preclinical studies and clinical trials or suspend or withdraw our regulatory approvals, requiring us to conduct additional clinical trials, change our drug labeling, or submit additional applications for marketing authorization. If any of these events occurs, our ability to sell such drug may be impaired, and we may incur substantial additional expense to comply with regulatory requirements, which could materially adversely affect our business, financial condition, results of operations and prospects.

The NMPA, the FDA, and comparable regulatory authorities may not accept data from clinical trials conducted in other jurisdictions, in which case our development plans will be delayed, which could materially harm our business.

We are currently conducting clinical trials primarily in China. We may in the future choose to conduct one or more additional clinical trials in different jurisdictions. The acceptance of study data from clinical trials in one jurisdiction may be subject to certain conditions or may not be accepted at all by another jurisdiction. In cases where data from foreign clinical trials are intended to serve as the basis for full and complete regulatory approval in the PRC, the clinical data should be (i) authentic, complete, accurate and traceable; (ii) in compliance with ICH GCP and drug registration inspection requirements; (iii) support the evaluation of the effectiveness and safety of the target indication; and (iv) there are no racial sensitivity factors affecting effectiveness and safety. As for partial acceptance, the clinical data should be (i) authentic, reliable and comply with ICH GCP and drug registration inspection requirements and (ii) support the evaluation of efficacy and safety for the target indications, though there are racial sensitivities that affect efficacy and/or safety. The FDA will generally not approve the application based on foreign data alone unless: (i) the data is applicable to the U.S. population and U.S. medical practice; and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that any comparable regulatory authority will accept data from trials conducted outside the applicable jurisdiction. If any comparable regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in drug candidates that we may develop not receiving approval for commercialization in such jurisdiction.

If we fail to detect or prevent violations of applicable anti-bribery laws by our employees, researchers, marketing and sales personnel and other business partners, we may experience material adverse effects on our business and be subject to significant penalties.

We are subject to anti-bribery laws in China that generally prohibit companies and their intermediaries from making payments to government officials to obtain or retain business or secure any other improper advantages. For example, the Anti-Unfair Competition Law of the People's Republic of China prohibits business operators from offering money, property or other means of inducement to entities or individuals in order to obtain transaction opportunities or competitive advantages. We are also subject to the U.S. Foreign Corrupt Practices Act ("FCPA"). The FCPA generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. As our business has expanded, the applicability of the FCPA and other anti-bribery and corruption laws to our operations has increased. Within the healthcare industry, violations of anti-bribery and anti-corruption laws may include improper payments that facilitate outcomes in research studies and/or drug supply negotiations or opportunities to sell drugs or other healthcare products at hospitals and other medical institutions. We cannot guarantee that our research and development staff, sales and marketing personnel and other employees, as well as third parties that we collaborate with such as CROs, hospitals and medical professionals will fully comply with anti-bribery and anti-corruption regulations at all times. Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. We also cannot assure you that we will be able to detect and prevent all instances of improper practices with respect to our clinical trials and other aspects of our business. In the event that our employees or other third party collaborators such as our research and development staff, sales and marketing personnel and other employees do not adhere to anti-bribery and anti-corruption laws, we may be subject to investigations, sanctions or fines that generate negative publicity and substantially harm our reputation, business and prospects.

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Failure to fully and timely comply with existing or future laws and regulations related to privacy or data security could lead to government enforcement actions, which could include civil or criminal fines or penalties, private litigation, other liabilities, and/or adverse publicity.

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of personal information in China is rapidly evolving and is likely to remain evolving uncertain for the foreseeable future. There are numerous laws that protect the confidentiality of individually identifiable patient health information, including patient records, and restricting the use and disclosure of that protected information. Regulatory authorities may continue to introduce additional legislative and regulatory proposals concerning personal data protection. For more details, refer to "Regulatory Overview — Other Principal PRC Laws and Regulations Affecting Our Business Operations and the [REDACTED] — 8. Information and Data Security."

Compliance with these and any other applicable laws, regulations, standards and obligations relating to data privacy, security and transfers is a rigorous and time-intensive process and may cause us to incur additional operational costs or require us to modify our data processing practices and processes. If we or our third-party vendors, collaborators, contractors and consultants fail to fully and timely comply with any such laws or regulations, we may face proceedings against us by data protection authorities and governmental entities, which could subject us to significant fines, penalties, judgments, negative publicity and reputational damage, and may otherwise materially and adversely affect our business, financial condition and results of operations.

We are subject to environmental, health and safety laws and regulations, including those governing nuclear medical drugs and radioactive materials.

We are subject to numerous environmental, health and safety laws and radiation safety regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. 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 also could incur significant costs associated with civil or criminal fines and penalties.

Our use of facilities that use and produce radioactive materials subjects us to compliance with decommissioning and decontamination, or D&D, requirements when we close those facilities, exposing us to potentially significant costs. Our drug candidates are manufactured using radioactive components. When a cyclotron reaches the end of its useful life at one of our facilities or if we need to abandon such facility for any other reason, we are obligated under the laws and regulatory rules of the various jurisdictions in which we operate to decommission and decontaminate such facility or cyclotron. Estimating the amount and timing of such future D&D costs includes, among other factors, country-specific requirements and projections as to when a facility will retire or the useful life of a cyclotron. If we do not conduct D&D properly at any of our sites, we may suffer significant additional costs to remediate any D&D deficiencies, fines, regulatory or criminal charges or other sanction or legal action, any of which could have a material adverse effect upon our business, financial condition and results of operations. Although we have estimated our future D&D costs, there can be no assurances that we will not incur material D&D costs beyond such estimates or our provisions.

We may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may affect our research, development or commercialization efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

RISKS RELATED TO OUR DEPENDENCE ON THIRD PARTIES

We work with third parties to develop our drug candidates. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for, or commercialize, our drug candidates.

We utilize and depend upon independent investigators and collaborators to help conduct certain of our research and preclinical studies. We expect to rely on medical

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institutions, clinical investigators, contract laboratories, and other third parties, including collaboration partners, to conduct or otherwise support clinical trials for our future drug candidates. We expect to rely heavily on these parties for execution of clinical trials and may not have effective control over all aspects of their activities. Nevertheless, we will be responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our collaboration with the CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our preclinical studies or clinical trials, we could be subject to enforcement action that may include civil penalties up to and including criminal prosecution.

We and any third parties that we contract with are required to comply with regulations and requirements for conducting, monitoring, recording, and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. If the third parties we contract with fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the comparable regulatory authorities may require us to perform additional clinical trials before approving our regulatory applications. The failure of third parties that we may contract with to comply with these regulations may require us to repeat some aspects of a specific, or an entire, clinical trial, which would delay the regulatory approval process and could also subject us to enforcement action. Our reliance on third parties to conduct future clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may have staffing difficulties, fail to comply with contractual obligations, experience regulatory compliance issues and form relationships with other entities, some of which may be our competitors. If our CROs do not perform clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, regulatory approval, and commercialization of our drug candidates may be delayed, we may not be able to obtain regulatory approval and commercialize our future drug candidates, or our development programs may be materially and irreversibly harmed.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. If our 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 obtain are compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates. As a result, we believe that our financial results and the commercial prospects for our drug candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

We may in the future seek to enter into collaborations, licenses and other similar arrangements and may not be successful in doing so, and even if we are, we may not realize the benefits of such relationships.

We may in the future seek to enter into collaborations, licenses and other similar arrangements. The success of these collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include risks such as: (i) we may not be able to enter into critical strategic collaborations or enter into them on favorable terms; (ii) collaborators may have significant discretion in determining the efforts and resources that they will apply to collaborations, and they may not perform their obligations as agreed, expected, or in compliance with applicable legal requirements; and (iii) collaborators may change their strategic focus due to their acquisition of competitive drugs or their internal development of competitive drugs, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities.

Additionally, we may seek to enter into additional collaborations, joint ventures, licenses and other similar arrangements for the development or commercialization of our drug candidates, due to capital costs required to develop or commercialize the drug candidate or manufacturing constraints. We may not be successful in our efforts to establish such

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collaborations for our drug candidates because our R&D pipeline may be insufficient, our drug candidates may be deemed to be at too early of a stage of development for collaborative effort or third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or significant commercial opportunity. In addition, we face significant competition in seeking appropriate strategic partners, and the negotiation process can be time consuming and complex. Further, any future collaboration agreements may restrict us from entering into additional agreements with potential collaborators. We cannot be certain that, following a strategic transaction or license, we will achieve an economic benefit that justifies such transaction.

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

Our relationships with principal investigators, key opinion leaders ("KOLs"), physician 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 drugs. These industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us or cooperate with our competitors instead. Even if they continue to cooperate with us, their market insights and perceptions, which we take into account in our research and development process, may be inaccurate and lead us to develop drugs that do not have significant market potential. Even if their insights and perceptions are correct, we may fail to develop commercially viable drugs. Industry participants may no longer want to collaborate with us or attend our conferences, and our marketing strategy may no longer be able to yield results that are commensurate to our efforts spent. 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.

We procure certain raw materials from third-party suppliers for our manufacturing needs. Such supplies may not be available to us on acceptable terms or at all, and an increase in the market prices of such supplies may adversely affect our results of operations.

During the Track Record Period, we have procured raw materials and consumables for the pilot manufacturing of our drug candidates for clinical trials from qualified suppliers. As we continue to develop and scale our manufacturing process and capacity, there is no assurance that we will be able to, at all times, procure the materials we need in adequate amount or on commercially reasonable terms, in a timely manner or at all. We might in the future encounter temporary difficulties in sourcing key raw materials as a result of health epidemics or outbreaks of contagious diseases as well as natural disasters, which could have a material impact on our business operations. Moreover, we may not be able to continue to procure from any of our current suppliers due to other reasons, such as regulatory actions or requirements affecting certain supplier(s), adverse financial or other strategic developments experienced by certain supplier(s), labor disputes or shortages, unexpected demands, or quality issues. Failure to obtain sufficient supply of these materials could adversely affect our ability to satisfy demand for our drug candidates, which could adversely and materially affect our development process, future commercialization efforts and operating results.

Furthermore, as our manufacturing processes require substantial amounts of supplies, fluctuations in price of such supplies may directly and adversely impact on our profitability. During the Track Record Period, we had not experienced significant fluctuations in prices of supplies, and they are generally available and in sufficient quantity to meet our demands. However, we cannot assure you that this will continue to be the case in the future. The prices of supplies we use in manufacturing our drug candidates may be affected by a number of factors, including market supply and demand, the PRC or international regulatory requirements, natural disasters such as fires, outbreak of epidemics or diseases, and the PRC and global economic conditions. A significant increase in the costs of supplies may directly and negatively affect our profit margins and, ultimately, our business, financial conditions, results of operation and prospects.

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RISKS RELATED TO INTELLECTUAL PROPERTY

If we are unable to obtain, maintain, enforce, defend and protect our intellectual property and our proprietary technologies, and conduct our business without infringing, misappropriating or otherwise violating an intellectual property or proprietary rights of others, our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially and adversely affected.

Our commercial success depends, in part, on our ability to obtain, maintain, enforce, defend and protect our intellectual property rights, including patent protection and trade secret protection for our drug candidates, proprietary technologies and their uses as well as our ability to operate without infringing upon, misappropriating or otherwise violating the proprietary rights of others. We generally seek to protect our proprietary position by filing patent applications in the PRC and abroad related to our drug candidates, proprietary technologies and their uses that are important to our business. We may also seek to protect our proprietary position by acquiring or in-licensing relevant issued patents or pending patent applications or other intellectual property or proprietary rights from third parties. We have a global portfolio of patents to protect our drug candidates and technologies. For details, see "Business — Intellectual Property" in this document. If we or our licensors are unable to obtain or maintain patent protection with respect to our drug candidates and other proprietary technologies we may develop, it could have a material adverse effect on our business, financial condition, results of operations and prospects. Pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless, and until, patents issue from such applications, and then only to the extent the issued claims cover the technology. There can be no assurance that our patent applications or the patent applications of our licensors will result in patents being issued or that issued patents will afford sufficient protection against competitors or other third parties with similar technology, nor can there be any assurance that the patents issued will not be infringed, designed around or invalidated by third parties.

Even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts in the PRC and abroad. The degree of future protection for our and our licensors' intellectual property or other proprietary rights is uncertain. These uncertainties and/or limitations in our ability to properly protect the intellectual property or other proprietary rights relating to our drug candidates could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot be certain that the claims in our PRC pending patent applications, our pending international patent applications and any patent applications that we may file in the future in the PRC or foreign territories, or those of our licensors, will be considered patentable by the China National Intellectual Property Administration, or CNIPA, courts in the PRC or by the patent offices and courts in foreign countries, nor can we be certain that the claims in our future issued patents will not be found invalid or unenforceable if challenged.

Even if they are unchallenged, our owned and licensed patent applications, and any patents we obtain, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our owned or licensed patents by developing similar or alternative technologies in a non-infringing manner. If the patent protection provided by the patent applications we own or license and any patents we obtain is not sufficiently broad to impede such competition, our ability to successfully commercialize our drug candidates could be negatively affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot guarantee that any changes to PRC and U.S. intellectual property related laws would not have a negative impact on our intellectual property protection.

In addition, given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our intellectual property may not provide us with sufficient rights to exclude others from commercializing drugs similar or identical to ours. Any of the foregoing events could have a material adverse effect on our business, financial condition, results of operations, and prospects.

If the scope of any patent protection we obtain is not sufficiently broad, or if we lose any existing patent protection without having implemented an appropriate patent strategy, our ability to prevent our competitors from commercializing similar or identical drug candidates would be adversely affected.

The patent position of biotechnology companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent

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years. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain. Our pending and future patent applications and those of our licensors may not result in patents being issued which protect our drug candidates and other proprietary technologies we may develop, or which effectively prevent others from commercializing competitive technologies and drug candidates.

Moreover, the coverage claimed in a patent application can be significantly reduced before the corresponding patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we own or in-license issue as patents in the future, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Any patents that we own, or in-license, may be challenged or circumvented by third parties or may be narrowed or invalidated as a result of challenges by third parties. Consequently, we do not know whether our drug candidates or other proprietary technology will be protectable or remain protected by valid and enforceable patents. Even if a patent issues, our competitors or other third parties may be able to circumvent our patents or the patents of our licensors by developing similar or alternative technologies or drugs in a non-infringing manner which could materially adversely affect our business, financial condition, results of operations and prospects.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents, if issued, or the patents of our licensors may be challenged in the courts or patent offices in the PRC and abroad. Our patent rights may be invalidated, rendered unenforceable, or reduced the scope of protection. Third parties may be allowed to commercialize our drug candidates and compete directly with us, without payment to us. We may not be able to manufacture or commercialize drugs without infringing, misappropriating or otherwise violating third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications or the patents and patent applications of our licensors is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future drug candidates.

Moreover, our patents and patent applications may in the future be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents and patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing drugs and technology. In addition, we may need the cooperation of any such co-owners of such patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing, could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Obtaining, maintaining, enforcing and defending our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by regulations and 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 will be due to be paid to foreign patent agencies at various stages over the lifetime of our owned or licensed patents and/or patent applications. We have systems in place to remind us to pay these fees, and we rely on our outside counsel and its outside patent annuity service to pay these fees when due. In addition, governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction, including as a result of failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. Our ability to comply with the various procedural, documentary, fee payment and other requirements imposed by regulations and governmental patent agencies could also be reduced or eliminated in the event of natural disasters, pandemics, or other catastrophic events. If such an event were to occur, including with respect to the patents and patent applications covering our research programs and drug candidates, as well as their respective methods of use, manufacture, and formulations thereof, it could have a

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material adverse effect on our business, financial condition, results of operations and prospects, as for example, competitors might be able to enter the market earlier than would otherwise have been the case.

The life of patent protection is limited, and third parties could be able to circumvent our patents by developing similar or alternative drugs and technologies in a non-infringing manner, or develop and commercialize drugs 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 drug or technology would be materially adversely affected.

The life of a patent and the protection it affords is limited. Even if we successfully obtain patent protection for an approved drug candidate, it may face competition from generic or biosimilar medications. Manufacturers of generic or biosimilar drugs may challenge the scope, validity, or enforceability of our patents in court or before a patent office, and 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 exclusively, which would materially adversely affect any potential sales of that drug. Patent terms may not be adequate to protect our competitive position on our drug candidates in the absence of patent linkage, patent term extensions, and other exclusivities. Given the amount of time required for the development, testing, and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. 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. Upon the expiration of our patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors, which would materially adversely affect our business, financial condition, results of operations, and prospects. According to Article 42 of the Patent Law of the PRC, for the purpose of compensating for the time taken to evaluate and approve a new drug to be put on market, CNIPA shall grant compensation for duration of patent right for invention of a new drug approved to be put on market in China upon request of the patentee. The compensation period shall not exceed five years, and the total validity period of patent right for a new drug approved to be put on market shall not exceed 14 years.

We may be involved in lawsuits to protect or enforce any patents we obtain in the future or our future licensors' patents, which could be expensive, time consuming and unsuccessful. Further, any future issued patents we obtain or our licensors' patents could be found invalid or unenforceable if challenged in court.

Competitors or other third parties may infringe our intellectual property rights. To prevent such infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. In addition, in a patent infringement proceeding, a court may decide that a patent we own or in-license is not valid, is unenforceable or is not infringed. If we or any of our current or potential future collaborators were to initiate legal proceedings against a third party to enforce a patent directed at one of our drug candidates, the defendant could counterclaim that our patent or the patent of our licensors is invalid or unenforceable in whole or in part. Grounds for a validity challenge include an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone connected with prosecution of the patent withheld relevant information from the CNIPA or made a misleading statement during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of 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.

Even if resolved in our favor, litigation or other legal proceedings relating to our intellectual property rights may cause us to incur significant expenses, and could distract our

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technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, rulings, motions and other interim proceedings or developments, and if securities analysts or [REDACTED] perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other legal proceedings relating to our intellectual property rights, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or other proceedings. In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our own patented drug and practicing our own patented technology. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. As of the Latest Practicable Date, no litigation asserting such infringement claims is currently pending against us, and we have not been found by a court of competent jurisdiction to have infringed a third party's intellectual property rights.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent which might adversely affect our ability to develop and market our drugs.

As the pharmaceutical industry expands and more patents are issued, the risk increases that our drug candidates may be subject to claims of infringement of the patent rights of third parties. There can be no assurance that our operations do not, or will not in the future, infringe existing or future third-party patents. We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified every third-party patent and pending application in the PRC and abroad that is relevant to our research and other operations or necessary for the commercialization of our drug candidates in any jurisdiction.

Our competitors or other third parties in both the PRC and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our drugs. We do not always conduct independent reviews of pending patent applications and patents issued to third parties. Patent applications in the PRC and elsewhere are typically not published until approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Furthermore, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our drugs, or the use of our drugs. As such, there may be applications of others now pending or recently revived patents of which we are unaware. These patent applications may later result in issued patents, or the revival of previously abandoned patents, that will prevent, limit or otherwise interfere with our ability to make, use or sell our drugs.

The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our drugs. We may incorrectly determine that our drugs are not covered by a third-party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the PRC or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our drug candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our drugs.

We cannot provide any assurances that third-party patents do not exist which might be enforced against our current technology, including our research programs, drug candidates, their respective methods of use, manufacture and formulations thereof, and could result in either an injunction prohibiting our manufacture or future sales, or, with respect to our future

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sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties, which could be significant.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition, we rely on the protection of our trade secrets, including unpatented know-how, technology and other proprietary information to maintain our competitive position. Trade secrets and know-how can be difficult to protect. We cannot provide any assurances that all such agreements have been duly executed, and any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Our information technology systems and security measures may be breached, and we may not have adequate remedies for any breach. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and process. Any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable.

Moreover, third parties may still lawfully obtain this information or may come upon this or similar information independently, and we would have no right to prevent them from using that technology or information to compete with us. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced, and our competitive position would be harmed. If we do not apply for patent protection prior to such publication or if we cannot otherwise maintain the confidentiality of our proprietary technology and other confidential information, then our ability to obtain patent protection or to protect our trade secret information may be jeopardized. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to claims that we or our employees, consultants, or collaborators have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers or claims asserting ownership of what we regard as our own intellectual property.

Some of our employees, consultants and advisors are currently or were previously employed at universities or biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. We may become subject to litigation where a third party asserts that we or our employees inadvertently or otherwise breached the agreements and used or disclosed trade secrets or other information proprietary to the third parties. Defense of such matters, regardless of their merit, could involve substantial litigation expense and be a substantial diversion of employee resources from our business. We cannot predict whether we would prevail in any such actions.

Moreover, intellectual property litigation, regardless of its outcome, may cause negative publicity and could prohibit us from marketing or otherwise commercializing our drug candidates and technology. Failure to defend against any such claim could subject us to significant liability for monetary damages or prevent or delay our developmental and commercialization efforts, which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team and other employees. In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property we regard as ours. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, to determine the ownership of what we regard as our intellectual property, or defend claims that they may bring against us. Such claims could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we or our licensors may in the future be subject to claims by former employees, collaborators, consultants or other third parties asserting an ownership right in

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our owned or licensed patent applications or future patents, patent applications, trade secrets or other intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership of our patent rights, trade secrets or other intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and distraction to management and other employees. An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar drug candidates and technology, without payment to us, or could limit the duration of the patent protection covering our drug candidates and proprietary technology. Such challenges may also result in our inability to develop, manufacture or commercialize our drug candidates and proprietary technology without infringing third-party patent rights.

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

We intend to use registered or unregistered trademarks or trade names to brand and market ourselves and our drugs. Our current or future registered or unregistered trademarks and 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 may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we assert trademark infringement claims, a court may determine that the trademarks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

During trademark registration proceedings, we may receive rejections of our applications by the CNIPA or in other foreign jurisdictions. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the CNIPA and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. A breach of these license agreements or misuse of our trademarks and trade names by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Over the long term, 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. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates.

Depending on decisions by the National People's Congress and the CNIPA, the laws and regulations governing patents could be revised from time to time that would affect our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. Our existing patent rights and future patent applications may face certain potential influence. There could be similar changes in the laws of other jurisdictions that may impact the value of our patent rights or our other intellectual property rights. The United States has enacted and is currently implementing wide-ranging patent reform legislation. The United States Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations

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recently. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any.

RISKS RELATED TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We have not generated any revenue and recorded net losses during the Track Record Period. We have incurred significant operating losses since our inception and anticipate that we may continue to incur operating losses.

Our ability to become profitable depends on our ability to generate revenue. During the Track Record Period, we have not generated any revenue. We recorded net losses of RMB118.8 million and RMB152.9 million in 2024 and 2025, respectively. We do not expect to generate significant product revenue unless or until we successfully complete clinical development and obtain regulatory approval of, and then successfully commercialize, at least one of our drug candidates. Our drug candidates will require substantial regulatory review and approval, substantial investment, access to sufficient commercial manufacturing capacity, and significant marketing efforts before we can generate any revenue from drug sales. We face significant development risk as our drug candidates advance further through clinical development. Our ability to generate revenue depends on a number of factors, including, but not limited to: (i) timely completion of our preclinical studies and our current and future clinical trials, which may be significantly slower or more costly than we currently anticipate and will depend substantially upon the performance of third-party contractors; (ii) our ability to complete IND-enabling studies and successfully submit INDs or comparable applications to allow us to initiate clinical trials for our current or any future drug candidates; and (iii) whether we are required by the NMPA, the FDA or comparable regulatory authorities to conduct additional clinical trials or other studies beyond those planned to support the approval and commercialization of our drug candidates or any future drug candidates.

Many of the factors listed above are beyond our control and could cause us to experience significant delays or prevent us from obtaining regulatory approvals or commercializing our drug candidates. Even if we are able to commercialize our drug candidates, we may not achieve profitability soon after generating product sales, if ever. If we are unable to generate sufficient revenue through the sale of our drug candidates or any future drug candidates, we may be unable to continue operations without continued funding.

We may require additional funding to finance operations. If we are unable to raise capital when needed, or on acceptable terms, we would be forced to delay, limit, reduce, or eliminate our research and drug candidate development programs or commercialization efforts.

Developing nuclear medicine, including conducting preclinical studies and clinical trials, is a very time-consuming, capital-expensive, and uncertain process that takes years to complete. We are currently advancing a number of drug candidates through clinical development and evaluating multiple current and potential drug candidates in preclinical studies in several potential indications. We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we continue the research and development of, and seek regulatory approval for, our drug candidates. In addition, if we obtain regulatory approval for our drug candidates, we expect to incur significant commercialization expenses related to sales, marketing, drug manufacturing and distribution activities. We may also need to raise additional funds sooner if we choose to pursue additional indications and/or geographies for our existing drug candidates or otherwise expand more rapidly than we presently anticipate.

Furthermore, upon the closing of this [REDACTED], we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we will be forced to delay, reduce, or eliminate programs, and may be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition, results of operations and prospects.

Our failure to raise capital or enter into other arrangements when needed would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate clinical trials, our research and development programs or other operations, or lead

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us to grant rights to third parties to develop and market drug candidates that we would otherwise prefer to develop and market ourselves. In addition, we may seek additional capital opportunistically due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Attempting to secure additional financing may divert our management from our day-to-day activities. Our future capital requirements will depend on, and could increase significantly because of many factors including but not limited to: (i) the scope, progress, results and costs of clinical development of our existing drug candidates; (ii) the scope, progress, results and costs of drug discovery, preclinical development and planned clinical trials for our future drug candidates; and (iii) the scope, prioritization and number of our research and development programs.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our drug candidates. We cannot guarantee that future financing will be available in sufficient amounts or on terms favorable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the [REDACTED] of additional securities, whether equity or debt, by us, or the possibility of such [REDACTED], may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute all our stockholders. The incurrence of indebtedness would result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborators, or otherwise, at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or future drug candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, financial condition, results of operations, and prospects.

We historically incurred net operating cash outflows, net liabilities and net current liabilities, which may continue into the foreseeable future and expose us to liquidity risk.

We recorded net operating cash outflows of RMB132.0 million and RMB143.3 million in 2024 and 2025, respectively. We had net current liabilities of RMB19.2 million as of December 31, 2024. We have transitioned from net current liabilities positions to net current assets positions as of December 31, 2025, primarily due to an increase in our cash and cash equivalents. However, we may continue to have net operating cash outflows, net current liabilities and net liabilities in the future. Any of the foregoing may expose us to the risk of shortfalls in liquidity. This in turn would require us to seek additional financing from [REDACTED] and [REDACTED] our Shares, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our ability to generate revenue from sales of approved drugs and become profitable in the future depends significantly on our success in a number of factors that affect the sales volume, pricing levels and profit margins of such drugs, such as competition or change in market environment.

We have no drug products approved for commercial sale, have not generated any revenue from drug product sales, and do not anticipate generating any revenue from drug product sales until sometime after we have received regulatory approval for the commercial sale of our drug candidates. Our ability to generate revenue and achieve profitability depends significantly on our success in many factors, including but not limited to: (i) completing research regarding, and nonclinical and clinical development of, our drug candidates; (ii) obtaining regulatory approvals and marketing authorizations for drug candidates for which we complete clinical studies; and (iii) developing a sustainable and scalable manufacturing process for our drug candidates, including establishing and maintaining commercially viable supply relationships with third parties and establishing our own manufacturing capabilities and infrastructure.

Even if one or more of the drug candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved drug candidate. Our expenses could increase beyond expectations if we are required by the comparable regulatory authorities to change our manufacturing processes or assays, or to perform clinical, nonclinical, or other types of studies in addition to those we currently

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anticipate. If we are successful in obtaining regulatory approvals to market one or more of our drug candidates, our revenue will be dependent, in part, upon the size of the market for the relevant product in PRC or the relevant jurisdictions, the accepted price for the product to be paid with out-of-pocket expenses and the ability to get reimbursement for any amount. If the number of patients with our addressable disease is not as significant as we estimate, the indication approved by regulatory authorities is narrower than we expect, or the reasonably accepted population for treatment is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved. If we are not able to generate revenue from the sale of any approved products, we may never become profitable.

Any loss of or significant reduction in the preferential tax treatment and government grant we currently enjoy in the PRC or our non-compliance with the relevant PRC tax laws and regulations may negatively affect our financial condition.

Under the Corporate Income Tax Law of the PRC and the respective regulations, an additional 100% of qualified research and development costs incurred is allowed to be deducted from taxable income effective from October 1, 2022. We cannot assure you that we will continue to enjoy such preferential tax treatment going forward. In addition, in 2024 and 2025, we recognized income of government grants of RMB9.8 million and RMB4.4 million, respectively, which included government support for research and development activities and the growth of our Company. The amounts of and conditions attached to such grants were determined at the sole discretion of the relevant governmental authorities. The government grants are non-recurring income and hence we cannot assure you that we will be eligible to continue to receive the government grants or that the amount of any such grants will not be reduced in the future, and, even if we continue to be eligible to receive government grants, we cannot guarantee that any conditions attached to the grants will be as favorable to us as they have historically been. Expiration or elimination of, or other adverse changes to, any of these tax incentives, or reduction or discontinuation of these government grants, could materially and adversely affect our financial condition and results of operations. In addition, the PRC government from time to time adjusts or changes its tax laws and regulations. Such adjustments or changes, together with any uncertainty resulting therefrom, could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we are subject to periodic examinations on our fulfillment of tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we have acted in compliance with requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future audits by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, financial condition and results of operations, as well as our reputation.

We may experience impairment losses related to other intangible assets which could impact our financial position.

We may face impairment losses on other intangible assets, which could significantly affect our financial standing. During the Track Record Period, our other intangible assets mainly comprised our (i) development costs in progress, (ii) patents, and (iii) software. We had other intangible assets of RMB137.8 million, and RMB200.5 million as of December 31, 2024 and 2025, respectively. See “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Other Intangible Assets” for further information. During the Track Record Period, we performed impairment testing for development costs in progress which were not yet available for use. For impairment testing, development costs in progress are allocated to the cash-generating units (“CGUs”), which are supposed to be able to generate cash flows independently from those of the other products. We engaged an independent qualified professional valuer, Shanghai PG Advisory Co., Ltd. (“PG”), to estimate the recoverable amounts of the CGUs at the end of each year comprising the Track Record Period. The appropriate CGUs are at the product level. The intangible assets during the Track Record Period represented development costs in progress for ¹⁸F-LNC1001 and ¹⁸F-LNC1016. The recoverable amounts of ¹⁸F-LNC1001 and ¹⁸F-LNC1016 were determined based upon its fair value less costs of disposal. The fair values were estimated using the market approach. See Note 14 to the Accountants’ Report set out in the Appendix I to this document. We may incur impairment losses on other intangible assets in the future, which could adversely affect our assets and profitability, ultimately negatively impacting our financial position.

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RISKS RELATED TO OUR OPERATIONS

Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

We have a limited operating history upon which you can evaluate our business and prospects. We have not yet demonstrated our ability to manufacture a commercial scale drug supply, or conduct sales and marketing activities necessary for successful drug commercialization. Additionally, we expect our financial condition and operating results to continue to fluctuate significantly from period to period due to a variety of factors, many of which are beyond our control. Such factors include, among other things, the timing of, cost of, and level of investment in, research, development, and commercialization activities, which could vary over time. Consequently, any predictions you may make about our future success or viability may not be as accurate as they could be if we had a longer operating history. In addition, as a young business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition at some point from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

We expect to continue to expand our development and regulatory capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We have experienced rapid growth since our inception in 2021. We expect continued growth in the number of our employees and the scope of our operations, particularly to continue our clinical operations, preclinical and IND-enabling studies or studies approved by comparable foreign authorities, establish regulatory, quality, and manufacturing supply chain logistics and facility operations. To manage our anticipated future growth, we will continue to seek to implement and improve our managerial, operational, and financial systems, expand our facilities, and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the complexity in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

In addition, future growth imposes significant added responsibilities on members of management, including: identifying, recruiting, integrating, maintaining, and motivating new employees; managing our internal development efforts effectively, including the clinical and NMPA, FDA or comparable regulatory authorities, review process for our current or future drug candidates, while complying with our contractual obligations to third parties; and improving our operational, financial and management controls, reporting systems, and procedures. If we are not able to effectively expand our organization by hiring new qualified employees and expanding our groups of consultants and contractors, we may experience delays or may not be able to successfully implement the tasks necessary to further develop and commercialize our drug candidates we develop and, accordingly, we may not achieve our research, development, and commercialization goals.

We may be subject to product liability lawsuits that could divert our resources, cause us to incur substantial liabilities, limit commercialization of our products that we may develop or acquire, and adversely affect our business, financial condition, results of operations and reputation.

We face an inherent risk of product liability exposure related the testing of our drug candidates in human clinical trials as the administration of our products to humans may expose us to liability claims, whether or not our products are actually at fault for causing any harm or injury. Our drug products may be used over longer periods of time by a wider group of patients taking numerous other medicines or by patients with additional underlying conditions in the future, the likelihood of adverse product reactions or unintended side effects, including death, may increase. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. If we cannot successfully defend ourselves against claims that our drugs or drug candidates caused injuries, we will incur substantial liabilities or may be required to limit commercialization of our products.

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Regardless of merit or eventual outcome, liability claims may result in: (i) decreased demand for products that we may develop or acquire; (ii) injury to our reputation and significant negative media attention; (iii) withdrawal of clinical trial participants; (iv) initiation of investigations by regulators; (v) product recalls, withdrawals or labeling, marketing or promotional restrictions; (vi) significant costs to defend the related litigation; (vii) substantial monetary awards to trial participants or patients; (viii) loss of revenue; (ix) reduced resources of our management to pursue our business strategy; and (x) the inability to successfully commercialize any product that we may develop or acquire. Our insurance coverage may not be adequate to cover any and all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We maintain industry-standard benefit plans in accordance with relevant laws and regulations, based on our assessment of our operational needs and industry practice. Although we maintain insurance coverage for adverse events in clinical trials, this 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 life 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.

Our business may be affected by adverse news, scandals or other incidents that have a negative impact on the reputation and public perception of the PRC nuclear medicine industry.

Incidents that reflect doubt as to the quality or safety of nuclear medicines and radioactive source products manufactured, distributed or sold by other participants in the PRC isotopes and irradiation industry, including our competitors, have been, and may continue to be, subject to widespread media attention. Such incidents may damage the reputation of not only the parties involved, but also the pharmaceuticals industry in general, even if such parties or incidents have no relation to us. As a result, our brands and reputation and our sales activities could be materially and adversely affected by such negative news, scandals or other incidents.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. In addition to the intellectual properties related litigations we may face as mentioned in “— We may be involved in lawsuits to protect or enforce any patents we obtain in the future or our future licensors’ patents, which could be expensive, time consuming and unsuccessful. Further, any future issued patents we obtain or our licensors’ patents could be found invalid or unenforceable if challenged in court.” and “— We may be subject to claims that we or our employees, consultants, or collaborators have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers or claims asserting ownership of what we regard as our own intellectual property”, we may also be involved in disputes or litigations relating to other issues, among others, breach of contract, environmental matters, and labor disputes. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. In addition, if any verdict or award is rendered against us, we could be required to pay significant monetary damages and assume other liabilities. Consequently, our business, financial condition and results of operations may be materially and adversely affected. Furthermore, claims, disputes or legal proceedings against us 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.

Any failure to fully 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 Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was last amended on December 29, 2018 and other applicable PRC regulations, any

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employer operating in China must open social insurance registration accounts and contribute social insurance premium for its employees. Any failure to open social insurance registration account 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 social insurance premium for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue social insurance premium within a specified period of time, and the competent authority may further impose fines or penalties. According to the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》), as amended in 2002 and 2019, the relevant housing fund authority may order an enterprise to pay outstanding contributions within a prescribed time limit.

As of the Latest Practicable Date, we engaged a related party to pay, on behalf of the Company, the relevant contribution for one offsite employee. As a result, we may be required by competent authorities to rectify the non-compliance and could be subject to a fine or penalty if we fail to rectify such non-compliance as required. As of the Latest Practicable Date, no competent government authorities had imposed administrative action, fine or penalty to us with respect to this non-compliance incident. We cannot assure you that we will not be subject to any penalty, or order to rectify non-compliance in the future. We may incur additional expenses to comply with such laws and regulations.

According to the Interpretation (II) of the Supreme People’s Court on Issues Concerning the Application of Laws in the Trial of 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)》), which was promulgated by the Supreme People’s Court of the PRC on July 31, 2025 and came into effect on September 1, 2025, if an employer and an employee reach an agreement or the employee gives an acceptance to the employer that no social insurance premiums have to be paid, the people’s court shall determine that such agreement or acceptance is invalid. If an employer fails to pay social insurance premiums in accordance with the law and the employee requests the labor contract to be terminated and demands the employer to pay economic compensation in accordance with the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the people’s court shall support such request and demand in accordance with the law. As of the Latest Practicable Date, neither we have entered into any agreements with any employees to provide that no social insurance premiums have to be paid, nor any employee has given acceptance to us that no social insurance premiums have to be paid. We have not received any complaints or reports regarding labor and employment issues. There are also no disagreement, litigations or disputes on the issues regarding labor and social security, and we have not been subject to any administrative penalties due to labor and social security issues.

Counterfeits of our products and the illegal and/or parallel import of competing drugs in the global market could negatively affect our sales and our reputation.

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 PRC and other countries where we plan to commercialize our drug candidates. Unapproved foreign imports of prescription drugs are illegal under current laws of PRC. However, illegal imports 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. In addition, competent government authorities may expand consumers’ ability to import lower priced versions of our future approved products or competing products from outside PRC or other countries where we operate. Any future legislation or regulations that increase consumer access to lower priced medicines from outside PRC or other countries 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. These products are generally referred to as counterfeit pharmaceutical products. The regulatory measures and law enforcement system in relation to the counterfeit pharmaceutical products, may be inadequate to discourage or eliminate the manufacturing and sale of counterfeit pharmaceutical products imitating our products in a timely manner, or at all. Since counterfeit pharmaceutical products in many cases have very

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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. A patient who receives a counterfeit pharmaceutical product may be at risk for a number of dangerous health consequences, which potentially exposes us to product liability claims, government investigations, and other disputes and negative consequences. Our reputation and business could suffer harm as a result of counterfeit pharmaceutical products sold under our or our collaboration partner's brand name(s).

Our business and operations may be materially adversely affected in the event of information technology system failures or security breaches, and the costs and consequences of implementing data protection measures could be significant.

Our internal computer systems, and those of our CROs and other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, fire, terrorism, war and telecommunication and electrical failures. Such systems are also vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees, third-party vendors and/or business partners, or from cyber incidents initiated by malicious third parties. Cyber incidents are increasing in their frequency, sophistication and intensity, and have become increasingly difficult to detect, respond to and recover from. Cyber incidents could include the deployment of harmful malware, ransomware, denial-of-service attacks, unauthorized access to or deletion of files, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Cyber incidents also could include phishing attempts or e-mail fraud to cause payments or information to be transmitted to an unintended recipient. 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, including personal data of our employees, patients and clinical trial participants. In addition, we face other kinds of risks related to our commercial and personal data, including lost or stolen devices or other systems (including paper records) that collect and store our personal and commercial information, including clinical trial data.

If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development and commercialization programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from completed, ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our reputation or competitive position could be damaged, and the further development and commercialization of our drugs or drug candidates could be delayed or halted. In addition, we may in certain instances be required to provide notification to individuals or others in connection with the loss of their personal or commercial information.

If a material breach of our security or that of our vendors occurs, our financial or other confidential information could be compromised and could adversely affect our business or result in legal proceedings. In addition, the cost and operational consequences of implementing further data protection measures could be significant. The development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Moreover, the possibility of these events occurring cannot be eliminated entirely.

We are subject to risks associated with leasing space.

We lease premises in China, and thus face risks relating to the leases. For instance, the lessors of the leased properties may not have valid title or the legal rights to such leased properties or may not have complied with all the necessary property leasing procedures. In addition, as our leases expire, we may fail to obtain renewals, either on commercially acceptable terms or at all, which could compel us to close such offices or manufacturing facilities and relocate. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition. Pursuant to the applicable PRC laws and regulations, lessors and lessees must obtain property leasing filing certificates. As of the Latest Practicable Date, lease

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agreements of both of our two leased properties had not been registered and filed with relevant land and real estate management departments in China. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. 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, and the aggregate maximum potential penalty for the non-registration of the foregoing two leased properties would be RMB20,000 as of the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we have not received any order from the relevant government authorities requiring us to register these lease agreements. We undertake to cooperate fully to facilitate the registration of lease agreements once we are notified of any requirements by the relevant government authorities. We are subject to extensive regulatory permits, certificates and approvals for our properties in China.

We may fail to obtain requisite approvals or complete the filings for construction projects.

We are required under applicable PRC laws and regulations to obtain various permits, certificates and approvals from or complete the filings with relevant governmental authorities for the properties that we construct, own and/or use in China. As of the Latest Practicable Date, two projects had been put into use or had commenced construction without fulfilling the prior construction procedures, including obtaining environmental acceptance filing (環保驗收備案) or construction permits (建設工程施工許可證). Our PRC Legal Advisor has advised us that, with respect to the building that was put into use or commenced construction before we complete the required filings, we may be imposed of administrative penalties such as fines, rectification within a specific period and suspension or close down of the construction or projects in a worse scenario.

As of the Latest Practicable Date, we were in the process of applying for the necessary filings for our construction work. However, there is no assurance that we will be able to complete the filings in a timely manner, or at all. As a result, our business, financial condition and results of operations may be materially and adversely affected. Based on the written confirmations issued by the relevant government departments and the indemnity given by our actual controller, our PRC Legal Advisor is of the view that such incident shall not have any material adverse impact on our operations and the [REDACTED].

We may be subject to disasters, health epidemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of such a disaster or prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere, including but not limited to the severe acute respiratory syndrome, or SARS, the H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), or the novel coronavirus (COVID-19), could materially disrupt our business and operations.

Our future investments or acquisitions may have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

We may invest in or acquire assets, technologies, and businesses that are complementary to our existing business. Our investments or acquisitions may not yield the results we expect. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive [REDACTED] of equity securities, significant amortization expenses related to goodwill or intangible assets, and exposure to potential unknown liabilities of the acquired business. Moreover, the cost of identifying and consummating investments and acquisitions, and integrating the acquired businesses into ours, may be significant, and the integration of acquired businesses may be disruptive to our existing business operations. We may also have to obtain approval from the relevant PRC governmental authorities for the investments and acquisitions and comply with any applicable PRC rules and regulations, which may be costly, and we cannot assure you that we will obtain such approvals timely or at all. In the event that our investments and acquisitions are not successful, our results of operations and financial condition may be materially and adversely affected.

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RISKS RELATED TO DOING BUSINESS IN THE JURISDICTION WHERE WE OPERATE

The regulatory environment in the geographical markets in which we operate is developing.

The jurisdictions that we operate or intend to operate all strictly regulate the pharmaceutical industry, and in doing so they employ broadly similar regulatory strategies, including regulation of the development and approval, manufacturing, marketing, sales, and distribution of pharmaceutical 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 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. 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 an applicant to administrative or judicial sanctions. These sanctions could include but are not limited to a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any occurrence of the foregoing could therefore materially and adversely affect our business, financial condition, results of operations, and prospects.

Any failure to comply with existing laws, regulations, and industry standards could result in fines or other punitive actions against us, the termination of ongoing research, and the disqualification of data for submission to regulatory authorities, or a ban on the future sales of our drugs, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations, and prospects. In addition, any action against us for violation of the relevant laws, regulations, or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and adversely affect our reputation and financial results.

The interpretation and enforcement of some laws and regulations may change from time to time.

The PRC legal system is based on written statutes. Unlike common law systems, it is a system in which legal cases have limited value as precedents. In the late 1970s, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly increased the protections afforded to various forms of foreign or private-sector [REDACTED] in China. Our PRC subsidiaries are subject to various PRC laws and regulations generally applicable to companies in China. However, since these laws and regulations are relatively new and the PRC legal system continues to evolve, the interpretations and enforcement of many laws, regulations and rules are subject to changes from time to time.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have a certain degree of discretion within their scope of authority in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations, and may further affect the legal remedies and protections available to [REDACTED], which may, in turn, adversely affect the value of your [REDACTED].

Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your [REDACTED].

During the Track Record Period, substantially all of our revenues and expenditures were denominated in Renminbi, while the [REDACTED] from the [REDACTED] will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi terms of the [REDACTED] from the [REDACTED]. Fluctuations in the exchange rate may also cause us to incur foreign

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exchange losses and affect the relative value of any dividend issued by us. Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

We are exposed to currency risk primarily through different functional currencies in different subsidiaries which give rise to cash and bank balances and other payables that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currency giving rise to this risk is primarily SGD. For further details, including relevant sensitivity analysis, please see Note 29 to the Accountants’ Report set out in Appendix I to this document. As of the Latest Practicable Date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

Policies regarding governmental administration of currency conversion, and regulation on the remittance of Renminbi into and out of China, could have a material adverse impact on our financial condition and results of operations, and may reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

The remittance of currency in and out of China is subject to various laws and regulations. Under China’s existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior approval from SAFE. However, in the future, such policies regarding foreign exchange under the PRC government may take measures to restrict access to foreign currencies for the capital account and current account transactions under certain circumstances may not necessarily continue. If any new policies or measures are implemented, we cannot assure you that we could be able to pay dividends in foreign currencies to holders of our H Shares. Foreign exchange transactions under our capital account are subject to relevant foreign exchange regulatory system and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities. These limitations could affect our ability to obtain foreign exchange through offshore financing.

Furthermore, the [REDACTED] from the [REDACTED] are expected to be deposited in currencies other than Renminbi until we obtain necessary approvals from relevant PRC regulatory authorities to convert these [REDACTED] into onshore Renminbi. If the [REDACTED] cannot be converted into onshore Renminbi in a timely manner, our ability to deploy these [REDACTED] efficiently may be affected as we will not be able to [REDACTED] these [REDACTED] on Renminbi-denominated assets onshore or deploy them in uses onshore where Renminbi is required. All of these factors could materially and adversely affect our business, financial condition and results of operations.

Dividends payable to [REDACTED] and gains on the sale of our H Shares may be subject to PRC income taxes.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments. Pursuant to applicable regulations, domestic non-foreign-invested enterprises issuing shares in Hong Kong may generally, when distributing dividends, withhold individual income tax at the rate of 10%. However, withholding tax on distributions paid by us to non-PRC individuals may be imposed at other rates pursuant to applicable tax treaties (and up to 20% if no tax treaty is applicable) if the identity of the individual holder of H shares and the tax rate applicable thereto are known to us. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC

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individuals are subject to PRC individual income tax. Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H shares through the sale or transfer by other means of H shares. There remains significant uncertainty as to the interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT on gains derived by holders of our H Shares from their disposition of our H Shares may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

Holders of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》, the “IIT Law”) and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020), the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61), from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax. As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》, the “EIT Law”) and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 20% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares has been reduced to 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled

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to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ approval.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region (the “HKSAR”) for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the HKSAR (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If an HKSAR resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the HKSAR for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

The PRC tax laws and regulations as well as the interpretation and application of such laws and regulations may change from time to time in the future which may adversely affect the value of your [REDACTED] in our H Shares.

We are subject to relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (Hui Fa [2012] No. 7). Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon the completion of the [REDACTED]. Failure to complete SAFE registrations may subject them to fines, and legal sanctions. In light of the above, we cannot assure you that we will continuously adopt additional incentive plans for our directors, executive officers and employees under PRC law.

In addition, SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. We have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

RISKS RELATED TO THE [REDACTED]

There has been no prior public market for our H Shares and an active [REDACTED] and liquid 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 negotiations between our Company and Overall Coordinators (on behalf of themselves and 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 the [REDACTED] of, and permission to deal in, the H Shares. 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 rise following the [REDACTED].

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The market price and [REDACTED] volume of our H Shares may be volatile, which could result in substantial losses for [REDACTED] who purchase our H Shares in the [REDACTED].

The market price and [REDACTED] volume of our H Shares may be highly volatile. Several factors beyond our control such as variations in our revenue, earnings and cash flow, strategic alliances, the addition or departure of key personnel, litigation, the removal of the restrictions on H share transactions or volatility in market prices and changes in demand for our products may cause significant and sudden changes to the market price and [REDACTED] volume of our H Shares. Furthermore, the market price of our H Shares could also decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the [REDACTED] of new shares or other securities, or the perception that such sales or [REDACTED] may occur. New shares or share-linked securities [REDACTED] by our Company may also confer rights and privileges that take priority over those conferred by the H Shares. The Stock Exchange and other securities markets have, from time to time, experienced significant price and [REDACTED] volume volatility that are not related to the operating performance of any particular company. This volatility may also materially and adversely affect the market price of our H Shares.

If the [REDACTED] price of our H Shares is substantially higher than the consolidated net tangible assets book value per share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases.

As the [REDACTED] of our H Shares is higher than the consolidated net tangible assets per share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] will experience an immediate dilution in [REDACTED] adjusted consolidated net tangible assets. Our existing shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible asset value per share of their shares.

The market price and [REDACTED] volume of our H Shares may decline if securities or industry analysts do not publish research reports about our business, or they adversely change their recommendations regarding our Shares.

The [REDACTED] market for our H Shares may be affected by research reports about us or our business published by industry or securities analysts. The market price of our H Shares would possibly decline if one or more analysts who research us downgrade our H Shares or publish negative opinions about us regardless of the accuracy of the information. We may lose visibility in the financial markets if one or more of these analysts cease coverage of us, or fail to regularly publish reports on us, which could cause the market price or [REDACTED] volume of our H Shares to decline.

Potential [REDACTED] will experience immediate and substantial dilution as a result of the [REDACTED].

Potential [REDACTED] will pay a price per H Share in the [REDACTED] that substantially exceeds the per H Share value of our net tangible assets. 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. For more information, see “Appendix II — Unaudited [REDACTED] Financial Information” to this document.

Future sales or perceived sales or conversion of substantial amounts of our securities in the public market, including any future [REDACTED] in China or conversion of our Domestic Shares into H Shares, could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings.

Future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, or the [REDACTED] of new H Shares or other securities relating to our H Shares, or the perception that such sales or [REDACTED] may occur could all cause a decline in the market price of our H Shares. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future [REDACTED], could also materially and adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate.

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Future sales of a significant number of our H Shares by our Controlling Shareholder or other existing shareholders in the public market after the [REDACTED], or the perception that these sales could occur, could cause the market price of our H Shares to decline and could materially impair our future ability to raise capital through [REDACTED] of our H Shares. We cannot assure you that our Controlling Shareholder, or other existing shareholders will not dispose of H Shares held by them.

Our Domestic Shares may be converted into H Shares, and such converted H 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 internal approval processes shall have been duly completed and the approval from the relevant Chinese regulatory authorities, including the CSRC, shall have been obtained (the “Arrangement”). In addition, such conversion, [REDACTED] and [REDACTED] shall in all respects comply with the regulations prescribed by the State Council’s securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. The Arrangement applies only to Domestic Shares. All of our Domestic Shares are subject to the Arrangement and may be converted into H Shares upon the approval of the relevant regulatory authorities, including the CSRC and the Stock Exchange.

Our Controlling Shareholder has significant influence over our Company and his interests may not be aligned with the interest of our other Shareholders.

Immediately upon the completion of the [REDACTED], without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED] and the 2023 Share Option Scheme, our Controlling Shareholder will control approximately [REDACTED]% of the issued share capital of our Company. Our Controlling Shareholder will, through its voting power at the Shareholders’ meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, [REDACTED] of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholder may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholder, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares. We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official government sources or other 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 has not been independently verified by us or any other party involved in the [REDACTED] and no representation is given as to its accuracy.

There is no assurance whether and when we will pay dividends.

No dividend had been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS Accounting Standards. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS Accounting Standards. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

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

This document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and

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information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “going forward,” “intend,” “ought to,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this document. Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations that our plans or objectives will be achieved, and [REDACTED] should not place undue reliance on such forward-looking statements. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, 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.

You should read this entire document carefully and should not consider or rely on any particular statements in published media reports without carefully considering the risks and other information contained in this document.

Prior to the publication of this document, and subsequent to the date of this document but prior to the completion of the [REDACTED], there may have been or may be press and media coverage regarding us, our business, our industry and the [REDACTED]. Such press and media coverage may include references to information that do not appear in this document or is inaccurate. We have not authorized the publication of any such information contained in such press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the press or media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of such information is inconsistent or conflicts with the contents of this document, we expressly disclaim responsibility for them. Accordingly, prospective [REDACTED] should only rely on information included in this document and not on any of the information in press articles or other media coverage in deciding whether or not to [REDACTED] in our [REDACTED]. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you have not and will not rely on any information other than that contained in this document, the [REDACTED], and any formal announcements made by us in Hong Kong in relation to our [REDACTED].