An **[REDACTED]** *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]**. *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 Shares could decline, and you may lose all or part of your* **[REDACTED]**. *In particular, we are a biotechnology company seeking to* **[REDACTED]** *on the* **[REDACTED]** *under Chapter 18A of the Listing Rules. There are unique challenges, risks and uncertainties associated with* **[REDACTED]** *in companies such as ours, which may cause you to 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 RELATING TO THE RESEARCH AND DEVELOPMENT OF OUR DRUG CANDIDATES

We depend substantially on the success of our clinical or pre-clinical drug candidates.

We have invested, and expect to continue to invest, substantial financial and operational resources in the development of our drug candidates. The success of our drug candidates will depend on a number of factors, many of which are outside of our control, including clinical trial outcomes and execution, third-party performance and compliance, regulatory approvals, manufacturing scale and quality, market access and reimbursement, post-approval safety and competitive dynamics. As of the Latest Practicable Date, other than the submitted NDA for LNK01001 for the treatment of moderate-to-severe AD, all of our drug candidates are in pre-clinical or clinical development, and certain risks may only become apparent at an advanced stage or upon completion of trials. Even if approved, our drug candidates may fail to achieve or maintain competitiveness due to evolving clinical practices, industry standards or competing therapies. Any setbacks in these areas could result in delays, increased costs, failure to bring our drug candidates into the market or not generating sufficient revenue to recover our research and development investment.

We may allocate our limited resources to certain product candidates or indications, which could cause us to forgo other opportunities that may ultimately be more profitable.

Given our limited financial and managerial resources, we prioritize certain product pipelines and indications over others and forgo or delay pursuit of opportunities that may later prove to have greater commercial potential or a higher likelihood of success. Our investment in current projects may not yield viable products, and our resource allocation decision may ultimately limit our ability to respond to emerging opportunities or shifting market dynamics. In addition, if we misjudge the commercial potential or strategic value of a particular drug candidate or indication, we may enter into licensing, collaboration or royalty arrangements that result in relinquishing rights to assets that would have been more advantageous to retain, or vice versa, retain full ownership of a program that would have benefited from external support. These risks could materially and adversely affect our ability to build a competitive and sustainable product portfolio which may in turn impact on our long-term profitability.

We may not be able to develop our proprietary protein degradation platforms as expected.

The development of our proprietary protein degradation platform may face a number of factors beyond our control, including limited availability of established reference frameworks, difficulties in attracting and retaining personnel with specialized expertise, challenges in identifying suitable targets with sufficient pharmacological relevance or clinical value, the need for highly sophisticated molecular engineering that requires balancing multiple parameters, required complex CMC procedures, and difficulties in enhancing efficacy and accessibility of PROTAC-based therapies. If we are unable to overcome these challenges, we may fail to generate drug candidates with meaningful clinical potential or recover our investment in the platform.

We may face intense competition and rapid technological change in developing drugs for our targeted indications, and the data we rely may be inaccurate or incomplete.

We operate in a highly competitive and rapidly evolving therapeutic landscape and face competition from existing and future therapies targeting the same indications, including approved drugs and biologics with established market presence and extensive clinical data. The success of our drug candidates in the relevant markets will depend on several factors, including the timing of regulatory approvals, comparative efficacy and safety profiles, convenience of dosing regimens and the breadth of our distribution channels. However, there is no assurance that our drug candidates will stand out among competing products. In this environment, we rely heavily on data collected during preclinical and clinical development to support our trial design, regulatory submissions and product positioning. However, such data may be inaccurate or incomplete due to limitations in sample size, model selection or technical errors. If these deficiencies are not identified or corrected in a timely manner, they may result in flawed trial outcomes, delays or failures in regulatory approvals, loss of market confidence, legal or regulatory consequences and reputational harm, which could materially and adversely affect our ability to commercialize our drug candidates and achieve sustainable commercial success.

We may encounter unexpected difficulties executing our clinical trials. Results of earlier studies and trials may not be predictive of future trial results.

Clinical drug development is inherently uncertain, and we may encounter unexpected challenges in executing our development schedule, including delays in regulatory approvals, limitations in analytical testing technologies, shortages of materials or unsatisfactory performance by third-party collaborators, which may require adjustments to our development programs and result in delays or increased costs. Furthermore, the results of preclinical studies and early-phase clinical trials may not be predictive of success in later-stage trials and favorable initial or interim results do not guarantee positive final outcomes. We may also need to adjust our development programs in an effort to optimize outcomes. But there is no assurance that such changes will achieve the intended objectives. Any of the foregoing incidents could lead to delays in trial completion, regulatory approvals and commercialization of our drug candidates.

Our drug candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results.

The process of derisking our drug candidates for potential commercialization or other future arrangements involves conducting extensive clinical trials to demonstrate their safety and efficacy profile. If the results of these trials are not positive, or if they reveal a high severity or prevalence of adverse effects, this could lead to delays in regulatory approvals or even outright rejection. In such cases, we may be forced to suspend or terminate ongoing clinical trials and may need to conduct additional studies beyond our original development plans, resulting in increased time and cost burdens. Even if initial regulatory approvals are granted, they may be

limited to certain indications or subject to restrictions on distribution and use. In cases of conditional approval, we may be required to conduct confirmatory studies to validate the anticipated clinical benefit and safety profile. If the results of these studies fail to support the original assumptions, the approval may be withdrawn or further restricted.

We might be unable to obtain the required regulatory approvals and ultimately unable to commercialize our drug product candidates.

We must obtain regulatory approvals from the NMPA and other regulatory authorities before commercializing any of our drug candidates, which requires demonstrating acceptable safety, efficacy and manufacturing compliance through preclinical studies and clinical trials. This process is technically costly, complex, time-consuming and inherently uncertain. As of the Latest Practicable Date, we have not completed the full regulatory submission process for any of our drug candidates and regulatory authorities may reject or delay acceptance due to concerns over data integrity, trial design, manufacturing systems or other issues. In addition, if we seek approval in multiple jurisdictions, we must comply with differing regulatory standards and review procedures, and approval in one jurisdiction does not guarantee approval in others. We may be required to conduct additional clinical trials, non-clinical studies, long-term safety monitoring or efficacy validation to meet local requirements, which could substantially increase development timelines and costs. If regulatory approvals are ultimately delayed, restricted or denied, we may be unable to commercialize our drug candidates.

We rely on third parties to conduct our preclinical studies and clinical trials.

We have worked with and may continue to work with third parties including CROs, clinical trial sites, consultants and other service providers. We retain control over only certain aspects of their activities. Nonetheless, we remain responsible for ensuring that all studies are conducted in compliance with applicable protocols, legal and regulatory requirements and GCP standards enforced by the NMPA and other regulatory authorities. Any non-compliance by third parties may render clinical data unreliable or require us to repeat or conduct additional trials, resulting in delays, increased costs or difficulties in obtaining regulatory approvals. Our research and development programs also depend on our ability to maintain effective relationships with CROs and other collaborators. If any such party fails to perform its contractual obligations, underperforms, breaches or terminates its engagement, we may experience delays, increased costs, disruptions to study execution or compromised data quality. Replacing or onboarding alternative service providers may be time-consuming or costly, and we may be unable to secure suitable replacements on commercially reasonable terms, or at all. Any of the foregoing could delay or impair our ability to obtain regulatory approvals or commercialize our drug candidates.

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

It is critical for us to recruit and retain a sufficient number of qualified participants to successfully initiate and complete our clinical trials. If we are unable to identify and enroll enough eligible patients, or if we experience delays due to intense competition in the clinical recruitment environment, we may be unable to carry out clinical trials for our drug candidates, which could result in delays in development and increased costs. We may experience difficulties in patient enrolment for a variety of reasons, such as clinical trial design and eligibility criteria, the size and demographics of the target patient population and required sample size, our ability to obtain and maintain informed consent and collaborate with qualified clinical sites, and patients' and clinicians' perceptions of the drug candidate's risks and benefits relative to existing or newly approved therapies. Delays in patient enrolment may result in increased costs, affect the timing or outcome of our clinical trials and hinder the completion of these trials, adversely affecting our ability to advance the development of our drug candidates.

We may not maintain or develop clinical collaborations and relationships with our principal investigators, key opinion leaders, physicians and experts.

Our relationships with PIs, KOLs, physicians and experts are integral to our research and development and marketing efforts. We rely on these parties for insights into clinical needs, treatment practices and market dynamics, and there is no assurance that we will be able to maintain or expand such collaborations or that they will lead to the successful development or commercialization of our drug candidates. These individuals may leave their positions, shift their professional focus, choose not to collaborate with us or instead work with our competitors. Even if they continue to cooperate with us, their market insights and perceptions upon which we rely during our development process may be inaccurate and outdated, potentially leading us to pursue products with limited market viability.

We may be unable to identify, discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates.

We may fail to identify drug candidates for clinical development or expand indications for existing drug candidates, or to keep pace with emerging trends. Even when we identify promising targets, they may later prove to demonstrate limited efficacy or exhibit undesirable adverse effects. Early-stage optimism does not guarantee clinical success, and many candidates fail during later phases of development. Sustaining our R&D capabilities could also be challenging as it requires ongoing investment in financial, technical and human resources. We may not be able to consistently allocate sufficient resources to support internal discovery programs, which could limit our ability to expand and diversify our pipeline. Accordingly, there can be no assurance that we will ever be able to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs.

RISKS RELATING TO THE MANUFACTURING, BUSINESS DEVELOPMENT AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

We will rely on third parties to manufacture our drug candidates for clinical development.

The availability of competent manufacturing partners is limited, and such partners must meet stringent regulatory standards. We may encounter difficulties in identifying and securing suitable manufacturers within acceptable timeframes and on commercially favorable terms. Even if a partnership is established, there is no assurance that the manufacturer will consistently deliver products in accordance with required timelines, volumes and quality specifications. Any delay or deviation may disrupt our clinical development or commercial supply. In addition, our ability to oversee and control the operations of third-party manufacturers is inherently limited. We cannot guarantee that such parties will consistently comply with applicable regulatory requirements, maintain adequate quality control standards or safeguard our proprietary information. Where manufacturers also provide services to competitors, we may face risks relating to conflicts of interest or inadvertent disclosure of confidential information. Moreover, their manufacturing performance may be adversely affected by factors beyond our control, including shortages of raw materials, financial or operational instability, management changes or force majeure events, which may increase manufacturing costs or compromise product quality, eventually resulting in delays to our clinical programs, increased costs or supply disruptions.

We have no experience in launching or marketing products. Our drug candidates may fail to achieve market acceptance and commercial success.

As of the Latest Practicable Date, we have not commercialized any product, and our ability to do so remains unproven. Compared to companies with established experience in product launch, commercialization and marketing, we may face greater inherent risks and may incur

higher costs in building the necessary infrastructure. There is no assurance that we will be able to timely establish and maintain an efficient internal commercial team, which may adversely affect the market performance of our drug candidates following regulatory approval. If we pursue commercialization through external partners, we will be subject to the uncertainties associated with such arrangements. We may not be able to identify or secure qualified partners, and even if partnerships are established, there is no guarantee that our collaborators will possess sufficient resources or capabilities to effectively promote and distribute our products. They may also terminate the collaboration arrangements or remain underperformed. Our revenue from product sales would be highly dependent on the performance of such partners, over whom we have limited control, and the commercial value realized may be lower than expected.

The market potential for our drug candidates may be smaller than initially expected, and they may ultimately prove unprofitable even if successfully commercialized.

The market potential for our drug candidates may be lower than our initial expectations, as estimates regarding target patient populations, pricing and reimbursement are based on currently available epidemiological studies, market research and industry data, which may not accurately reflect the actual addressable market. Changes in treatment paradigms, evolving clinical practice or shifts in the epidemiological landscape of autoimmune diseases may further reduce the market size we initially anticipated. In addition, a portion of the patient population may not seek treatment due to mild symptoms or reluctance to adopt novel therapies, which may limit market penetration. Moreover, we face competition from existing therapies with established market presence, as well as emerging treatment alternatives. If we are unable to achieve sufficient product penetration or obtain adequate reimbursement support, our drug candidates may fail to generate sufficient revenues or achieve profitability.

Our collaboration with pharmaceutical company to market our drug candidate may not materialize as we expected.

We collaborate with pharmaceutical company that possesses strong marketing capabilities and established distribution networks to promote our drug candidates. Such collaborations depend on our ability to identify qualified partners and negotiate commercially favorable terms. Even where collaborations are established, execution risks may arise, including misalignment on launch timing, delays in operational integration, underperformance in promotional activities or insufficient resource allocation by our partners. If a partner fails to fulfill its contractual obligations, terminates the agreement or underperforms, our product launch may be delayed or disrupted. In such cases, we may not be able to secure alternative partners in a timely manner or negotiate new agreements on favorable terms, which could hinder our commercialization efforts and affect the overall market performance of our products. We may also face challenges related to intellectual property ownership, data sharing and responsibility allocation during the course of collaboration. If not properly managed, these issues could lead to legal disputes or regulatory risks which may affect our commercialization progress.

In particular, we may enter into collaboration agreements with third parties that contain milestone-based arrangements tied to the development and regulatory progress of our product candidates. Such agreements may specify development targets, including the achievement of regulatory milestones within agreed timelines, and may provide for contingent payments or rewards upon attainment of such milestones. For example, under our collaboration arrangement with Simcere, the timing for obtaining marketing authorization for the RA and AS indications for LNK01001 is contractually specified. Accelerated approval for both indications may entitle us to additional rewards, whereas delays in obtaining approval for both indications beyond agreed thresholds may trigger compensation obligations; prolonged delays in any indication may require renegotiation of commercial rights, including the potential reallocation of sales and promotion rights to other indication as alternative. See "Business – Our Collaboration

Arrangements – Our Commercialization Collaboration with Simcere." Our ability to achieve these milestones is subject to uncertainties inherent in drug development, including clinical trial outcomes, regulatory review processes and other factors beyond our control. There is no assurance that we will meet the agreed development targets or timelines. Failure to achieve such milestones, including obtaining marketing authorization for one or more target indications within the specified timeframe, may adversely affect our expected cash inflows and result in the loss, reduction or adjustment of milestone-related payments or rewards. In addition, any delays, missed milestones or resulting contractual adjustments may adversely affect our credibility with collaboration partners and weaken our bargaining position in future collaborations. Any such outcomes could materially and adversely affect our cash flow, financial condition and reputation.

We may not realize the anticipated benefits from our collaboration arrangements.

We have entered into, and may in the future continue to pursue, collaborations, licensing deals, strategic partnerships, or other investment arrangements. Identifying and attracting qualified partners with the necessary capabilities, resources and market access may prove difficult, and we may not be able to establish new partnerships or alternative arrangements for our drug candidates. Even if potential partners are identified, we may face difficulties negotiating favorable commercial terms, such as pricing rights, revenue sharing and territorial scope. If our strategies misalign with these third-party collaborators, or they have disagreement on collaboration terms, we may experience delays or limitations in collaborations. Furthermore, the performance of our partners may fall short of expectations or our strategic objectives may diverge, leading to a cessation of the collaboration. Subsequently, we may, and have in the past, experienced early termination of collaboration agreements with our partners. Other risks in executing our collaborations include our partners' discretion over the resources and efforts they allocate, and their potential decision to delay, suspend or discontinue the development or commercialization of our drug candidates. Disputes may also arise, leading to delays or termination of development or commercialization efforts and resulting in costly litigation or arbitration that diverts management attention. In addition, partners with marketing and distribution rights may fail to effectively execute commercialization plans or fail to adequately protect our intellectual property or misuse proprietary information, which could result in litigation, loss of intellectual property rights, regulatory complications or require us to invest additional capital to continue commercialization independently, potentially delaying revenue generation. Even if benefits are realized, they may be offset by increased costs, operational inefficiencies or unrelated issues within the partner's business. Any collaboration may also involve a partial or full transfer of control over the future success of our drug candidates, and the agreements we enter into may not yield the expected benefits.

We may explore opportunities to commercialize our drug candidates globally, which may expose us to risks associated with conducting business in international markets.

We are exploring opportunities to bring our drug candidates to international markets. Our globalization efforts may expose us to complex and uncertain risks, including differences in drug regulatory systems between China and overseas markets; compliance with foreign laws, regulations, tariffs, import and export controls and sanctions measures, including those administered by the OFAC, the BIS and the FCPA, as well as biosecurity and cross-border biotechnology laws such as the BIOSECURE Act; variations in intellectual property protection regimes; exposure to product liability claims and regulatory or legal proceedings; parallel import risks arising from cross-market price differentials; foreign exchange fluctuations; geopolitical instability, trade restrictions or foreign policy changes; and cultural and ethical differences affecting negotiations and partnership management. We may need to allocate additional resources for compliance review and implement risk mitigation measures in responses to the risks listed above. However, such efforts may not fully eliminate the risks associated with

international operations. Failure to effectively address these challenges may hinder the progress of our overseas business initiatives.

Notwithstanding the generality of the foregoing risks, we have conducted a detailed assessment of their specific impact on our business, results of operations and prospects. With respect to reported delays in drug approvals and evaluation processes due to deadlocks and manpower shortages at U.S. public agencies, including the FDA, CDC and NIH, our clinical-stage product candidate with any U.S. exposure is LNK01006, whose IND was approved by the FDA in November 2025 and whose exclusive rights outside Chinese Mainland have been out-licensed to Bleecker, a U.S.-based entity responsible for all U.S. clinical development and regulatory submissions. Following such out-licensing, we do not make direct regulatory submissions to the FDA with respect to LNK01006. Our core products LNK01001 and LNK01004 currently have no active IND with the FDA and their initial NDA submissions are focused on the Chinese market. As a result, we believe the direct impact of FDA manpower shortages or deadlocks on our operations is limited. Any indirect impact would primarily arise from potential delays in Bleecker's clinical development timeline, which may in turn affect the timing of milestone payments receivable under the license agreement. With respect to geopolitical tensions between Chinese Mainland and the United States, our clinical trials in China are conducted in accordance with NMPA GCP standards, and we have proactively managed the risk of FDA validation of China-generated clinical data by out-licensing LNK01006 to Bleecker, which will generate clinical data in the United States, thereby supporting a potential bridging study strategy for future U.S. regulatory submissions. We comply with applicable PRC laws and regulations on data privacy, including the Personal Information Protection Law and the Measures for Security Assessment of Data Cross-border Transfer, and our U.S. clinical data for LNK01006 is generated and managed by Bleecker in the United States, which minimizes the need for cross-border data transfer. We do not currently manufacture or export pharmaceutical products to the United States, and therefore the direct impact of tariff policies, including any tariffs targeting biotechnology companies, is limited. We are a clinical-stage biopharmaceutical company focused on autoimmune and inflammatory diseases and are not subject to any restricted party lists, and our business does not involve genomic data collection or transfer that would fall within the scope of proposed U.S. legislation such as the BIOSECURE Act.

Guidelines, recommendations and studies published by various organizations could disfavor our product 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' product candidates. Any such guidelines, recommendations or studies that reflect negatively on our product candidates, either directly or relative to our competitive product candidates, could result in any of our applicable drug candidates not being favored by the market, and, after obtaining required approvals and subsequently commercialized, result in current or potential decreased use, sales of and revenue from one or more of our product candidates. Furthermore, our success depends in part on our and our partners' ability to educate healthcare providers and patients about our product candidates, and these education efforts could be rendered ineffective by, among other things, third-party guidelines, recommendations or studies.

Our drug may not be covered by reimbursement programs or may become subject to unfavorable reimbursement practices, either of which could harm our business.

Reimbursement coverage is a critical determinant of whether patients can afford the cost of treatment. If our drug is covered by medical insurance, whether provided by government programs or commercial issuers, patients may receive full or partial reimbursement for their expenses. In China, government-sponsored healthcare insurance schemes reimburse drugs listed

in the National Reimbursement Drug List or relevant provincial medical insurance catalogs. If our drug fails to be included in such reimbursement lists, or if inclusion is delayed, patient access may be significantly reduced, which could hinder our ability to establish market presence and achieve sales growth. Moreover, the inclusion in reimbursement programs depends on multiple factors, including clinical efficacy, safety profile and pricing. Even if our drug is successfully included in a reimbursement program, relevant authorities may periodically review and adjust the scope of coverage. Constant changes in reimbursement regulations and schemes may also lead to more stringent prescription and coverage criteria, which could exert downward pressure on drug prices. If our drug is subsequently removed from the reimbursement list or the scope of reimbursement is narrowed, or if we are required to accept lower pricing as a condition for continued reimbursement, demand for our product may decline.

Failure to secure success in centralized tender processes for supplying our products to public hospitals and other medical institutions could lead to a loss of market share.

Sales of our pharmaceutical products to public hospitals in China are subject to centralized government procurement through competitive tendering, which may exert pricing pressure on our products, particularly in the presence of alternative or substitutable products. Certain of our drug candidates may qualify as innovative drugs and therefore be exempted from the centralized tender process; however, other pipeline products may still be required to undergo the tender process. As such, our sales volume and profitability depend on our ability to differentiate our products and pricing. However, we cannot guarantee success in these bidding processes. Failure to secure tenders may result in the loss of revenue from affected products. Various factors may prevent us from winning tenders, including declining demand for the relevant products for certain indications, lack of price competitiveness, failure to meet certain quality or service standards, perceived inferiority in clinical efficacy or safety compared to competing products. If our products are not selected in one or more regional tender processes, we may be unable to sell those products to public hospitals and related institutions in those regions. Furthermore, even if our products are awarded tenders, we may win at a low bid price, which could result in a compressed gross profit margin.

Our drug candidates may be subject to pricing controls or other regulatory policies aimed at reducing healthcare costs.

In November 2018, China launched a national pilot program for centralized procurement by public medical institutions, which introduced minimum purchase volumes under the volume-based procurement scheme (VBP scheme). The VBP scheme is designed to procure large quantities of drugs at significantly lower prices. The future scope of drug coverage under the VBP scheme also remains uncertain, and there is no assurance that additional products will be included in future rounds of procurement. In addition, our drug candidates may be required to undergo price reductions during negotiations for inclusion in the national reimbursement program, and the prices of products from competitors that have already been included in the reimbursement list could influence the pricing of our candidates. If government pricing regulations or other cost-containment policies result in further price reductions for our products, we may not be able to mitigate the adverse impact without incurring substantial expenses. Moreover, if the government introduces more stringent pricing controls such as expanding the scope of reimbursement negotiations, setting maximum retail prices or implementing dynamic price adjustment mechanisms, our products may face continued pricing pressure.

RISKS RELATING TO REGULATORY APPROVALS AND GOVERNMENT REGULATIONS

The drug industry in China is highly regulated and such regulations are subject to change. In addition, regulatory approval for our drug candidates is lengthy, expensive and inherently uncertain.

The development, approval, manufacturing, marketing, sales and distribution of pharmaceutical products are subject to extensive and evolving regulatory requirements in jurisdictions in which we intend to develop and commercialize our drug candidates. Obtaining regulatory approvals and maintaining ongoing compliance with applicable laws and regulations is time-consuming, resource-intensive and uncertain, and delays in achieving compliance or compliance that does not meet the satisfaction of relevant authorities may result in significant administrative, civil or criminal penalties, or delays in our product development timeline. Moreover, regulatory authorities may revise existing requirements or introduce new rules that affect our operations, including changes to clinical trial protocols, manufacturing standards, labelling requirements, pharmacovigilance obligations or pricing and reimbursement policies. Keeping pace with such changes may require significant operational adjustments and additional investment. Any failure to anticipate or respond effectively to regulatory developments could delay product development, hinder commercialization or expose us to enforcement actions.

We are also subject to significant risks associated with obtaining regulatory approvals for our drug candidates. The process of securing marketing authorization is complex, lengthy, costly and unpredictable, and depends on numerous factors, including regulatory discretion, evolving approval standards and differing requirements across jurisdictions. There is no assurance that we will be able to obtain regulatory approvals for our existing or future drug candidates. Even with substantial investment and effort, regulatory authorities may require additional preclinical, clinical or CMC data, impose post-marketing obligations, approve fewer or narrower indications than applied for, or deny approval altogether. Clinical trials conducted in one jurisdiction may not be accepted in others, and approval in one jurisdiction does not ensure approval elsewhere. Any of these outcomes could delay or prevent commercialization of our drug candidates and adversely affect our business, financial condition and prospects.

We will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expenses.

Following regulatory approval, our drug products will remain subject to extensive and ongoing oversight by the NMPA and other comparable regulatory authorities in jurisdictions where we operate. These post-approval obligations include continued compliance with requirements related to manufacturing practices, labelling, packaging, storage, advertising, promotion, sampling, record-keeping and the conduct of post-marketing studies. We are also required to submit periodic safety, efficacy and other post-marketing reports, maintain product registrations and adhere to GMP and GCP standards for any clinical trials conducted after approval. In certain cases, authorities may impose conditions such as post-marketing surveillance, risk management plans or additional clinical studies. Furthermore, regulatory authorities may require us to implement risk evaluation and mitigation strategies (REMS) or similar programs. Even after a product has been approved and launched, new safety concerns may emerge. Previously unidentified adverse effects, deficiencies in manufacturing processes, or failures to meet regulatory standards. If such issues arise, regulatory authorities may take enforcement actions including restricting or suspending marketing or manufacturing activities, mandating voluntary or compulsory product recalls, issuing warning letters or placing holds on ongoing clinical trials, refusing to approve pending applications or supplements, suspending or revoking existing approvals, seizing products or prohibiting import/export activities. In addition to product-specific obligations, we are subject to broader regulatory requirements that affect our day-to-day operations, including ongoing compliance with manufacturing quality systems,

pharmacovigilance protocols, promotional practices and other operational standards. Maintaining compliance across these areas requires continuous investment of time, capital and personnel. If we are slow to adapt to evolving standards, we may lose existing approvals, face enforcement actions or be unable to bring new products to market.

Our drug candidates may cause undesirable adverse reactions.

Adverse reactions caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a more narrowed scope of indications or a more restrictive label of our drug candidates, delay in or denial of regulatory approval by the NMPA or other comparable global regulatory authorities, or a significant modification in our clinical protocol or our development plan. If results of trials by us or by our collaboration partner reveal a high and unacceptable severity or prevalence of certain adverse reactions, our trials could be suspended or terminated and the NMPA or other comparable global regulatory authorities could deny approvals of, or order us to cease further development of, our drug candidates. Such findings could also impair patient recruitment, reduce retention rates and hinder the completion of trials, thereby compromising the integrity and statistical power of the study results. Moreover, adverse reactions may expose us to legal liability, including litigation from affected patients or other stakeholders. This could result in reputational damage, financial losses and erosion of stakeholder confidence. Even after a drug candidate receives regulatory approval, the emergence of undesirable side effects could have serious adverse consequences for our potential future revenue, including the withdrawal, suspension or revocation of regulatory approvals or licenses, mandatory updates to product labelling with prominent safety warnings, the implementation of REMS or similar regulatory frameworks as well as exposure to legal claims and reputational harm. Any of the abovementioned events could undermine market acceptance of our drug candidates and diminish their commercial viability.

We and our business partners are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security.

We and our business partners are subject to a complex and evolving national and international data protection and privacy laws, regulations, directives and standards in various jurisdictions where we operate and conduct our clinical trials, as well as contractual obligations. Failure to comply with these laws or regulations could lead to enforcement actions, including fines, potential criminal liabilities of our management personnel, public censure, claims for damages, harm to our reputation and loss of goodwill and potential exclusion from government programs. Data protection and privacy laws and regulations generally require clinical trial sponsors and operators to protect the privacy of their enrolled patients and prohibit unauthorized disclosure of personal data. If such sponsors, operators or personnel divulge patients' private or medical records without their consent, they could be held liable for such damages. Our confidentiality protection measures may not be infallible and patients' data could be leaked due to insider misconduct or misuse of such information arising from misconduct or negligence.

Furthermore, the laws regulating the use of genetic information and patients' personally identifiable information are novel, complex and dynamic. These regulatory changes may affect our ability to use medical data and subject us to liability for the use of such data. Additionally, if our practices are not consistent, or are deemed as not consistent, with legal and regulatory requirements, we may become subject to audits, inquiries, investigations and severe criminal or civil sanctions. In addition, our clinical trials frequently involve professionals from third-party institutions working on-site with our staff and enrolled patients. Physicians, CROs and other entities with whom we do business may be subject to laws or regulations that restrict the use or disclosure of genetic information or other individually identifiable health information. A third party's failure to comply with those laws may affect our access to critical data, jeopardize trial integrity, and expose us to secondary liability.

We are subject to applicable anti-kickback, false claims laws, doctor payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China and other jurisdictions.

Our operation may become subject to a complex array of fraud, abuse and anti-bribery laws applicable in those regions, compliance with which may result in additional costs and management attention. Such laws include the Drug Administration Law, the Anti-Unfair Competition Law and other applicable fraud-related regulations in the PRC and other jurisdictions. In addition, our operations are subject to anti-kickback and anti-bribery laws including the Anti-Kickback statutes, the FCPA, the Drug Administration Law and regulatory frameworks such as the Compliance Guidelines for Healthcare Companies to Prevent Commercial Bribery Risks issued by the SAMR in January 2025. Ensuring compliance with applicable fraud, anti-kickback and anti-bribery laws may involve substantial costs.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

A portion of our intellectual property portfolio currently comprises pending patent applications that have not yet been issued as granted patents.

Our commercial success depends significantly on our ability to protect our proprietary technology and drug candidates from competition. This requires us to obtain, maintain, defend and enforce intellectual property rights, particularly patent rights in China and other commercially relevant jurisdictions. We seek to safeguard our innovations through a combination of patent filings, trade secret protection and regulatory exclusivities such as market and data exclusivity. The process of securing and maintaining patent protection is inherently complex, costly and time-consuming. Not all patent applications result in issued patents, and even when granted, the scope of protection may be narrower than anticipated. Until a patent is issued, it cannot be enforced against third parties, and we may fail to identify or protect patentable aspects of our research and development in a timely manner. The patent landscape for biotechnology companies generally is highly uncertain, involves complex legal and factual questions, and has in recent years been frequently litigated. The scope, validity, enforceability and commercial value of our patents are not guaranteed. Our pending and future patent applications may not be granted with claims that effectively prevent third parties from commercializing competitive technologies and drug candidates. Patent examiners may require us to narrow our claims during prosecution, and any material defects in our applications could render them invalid or unenforceable. Even after issuance, our patents may be challenged, narrowed or invalidated through legal or administrative proceedings, or competitors may design around our patents through non-infringing alternatives. In addition, changes in patent laws or their interpretation in relevant jurisdictions may reduce the value or effective term of our patents. Any of the foregoing could materially and adversely affect our competitive position and our ability to successfully develop and commercialize our drug candidates.

Our ability to obtain and maintain patent protection depends on compliance with procedural requirements imposed by governmental patent authorities, and any noncompliance may result in the reduction or loss of such protection.

During the patent application process, we must comply with a range of formalities imposed by patent offices such as the CNIPA, the USPTO and other relevant authorities, including timely responses to official actions, submission of legalized and properly formatted documents, as well as adherence to prescribed deadlines for filings and amendments. Once a patent is granted, its continued validity and enforceability depend on the timely payment of maintenance fees, renewal fees, annuity fees and other government-imposed charges. These fees are typically due at multiple stages throughout the life of a patent and vary by jurisdiction. We may need to work with external counsel and intellectual property professionals to manage the forementioned

obligations, and inadvertent lapses or administrative errors may still occur. Such deficiencies may result in the irrevocable lapse or termination of patent rights, restraining our ability to exclude competitors from the market, undermining our market position and eroding the commercial value of our intellectual property portfolio.

The term of patent protection is limited. Third parties could develop technologies similar or identical to ours after the expiration of our patent rights.

The life of a patent is limited. In China and many other jurisdictions, patents for inventions typically expire 20 years from the filing date. Once a patent expires, the exclusivity it provides ends, and we may face competition from manufacturers of generic or biosimilar products. If we are unsuccessful in enforcing or defending our intellectual property rights, we may not be able to develop relevant product exclusively. Given the time required for developing, testing and regulatory review of new drug candidates, patents might expire before or shortly after the commercialization of such drug candidates. In such cases, the patent may not provide sufficient exclusivity to deter competitors. To mitigate this risk, certain jurisdictions offer mechanisms to extend patent terms to compensate for regulatory delays. 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 assertion, and we may not be granted an extension due to various reasons such as missing application deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Additionally, the patent term extension application must be filed within three months of receiving marketing approval, with the extension period capped at five years, and the total patent term post-approval must not exceed 14 years. If we are unable to obtain a patent term extension or if the extension is shorter than requested, our competitors may obtain approval of competing products following our patent expiration, and our business could be harmed.

We enjoy only limited geographical protection and patent terms for certain patents.

Filing and prosecuting patent applications and defending patents across multiple jurisdictions can be prohibitively expensive. The effectiveness of our protection measures varies significantly by jurisdiction. In particular, differences in legal standards, enforcement mechanisms and administrative practices may limit our ability to secure and enforce meaningful intellectual property rights in certain regions. In jurisdictions where we lack patent protection or where enforcement is weak, competitors may exploit our technologies and commercialize infringing products. These products may be manufactured in countries with limited intellectual property enforcement and exported to markets where we hold valid patents, thereby undermining our exclusivity and competing directly with our drug candidates. Conversely, enforcing our patent rights in jurisdictions with stronger legal frameworks can also be costly. Even successful, litigation may divert management attention, strain resources and expose us to counterclaims or challenges to the validity or scope of our patents. We may not prevail in such proceedings, and any damages or remedies awarded may be insufficient to offset the harm caused by infringement. Enforcement actions may result in narrowed claims or invalidation of our patents, further weakening our competitive position. Accordingly, our efforts to enforce intellectual property rights worldwide may be inadequate for significant commercial advantage. Compulsory licensing regimes in certain countries may require us to grant licenses to third parties under specific circumstances, such as public health emergencies or government use. Some jurisdictions also limit the enforceability of patents against government entities, leaving patent holders with few or no remedies. These limitations could materially diminish the value of our patents and impair our ability to maintain exclusivity in key markets.

Our patents and other intellectual property may be subject to further priority disputes or to inventorship disputes and similar proceedings.

Our patents and other intellectual property rights may be subject to priority disputes, inventorship challenges and similar proceedings from former employees, collaborators, contractors or other third parties, which could be costly, time-consuming and disruptive to our operations. If we or our partners are unsuccessful in defending ourselves against such claims, we may lose valuable intellectual property rights, or be forced to narrow, invalidate or render unenforceable certain patent claims. This could materially impair our ability to develop, manufacture and commercialize affected drug candidates. In some cases, we may be required to obtain licenses from third parties asserting such rights, which may not be available on commercially reasonable terms, or at all. If we are unable to secure necessary licenses, we may be forced to modify or discontinue the development and commercialization of one or more drug candidates. Even if we prevail in such proceedings, the process may involve substantial legal costs, divert management attention and delay critical development timelines. Additionally, we rely on third-party contractors, including CROs and other service providers to support our research and development activities. We cannot guarantee that contractors will not misappropriate or transfer proprietary technologies to unauthorized third parties. Any such unauthorized use or disclosure could result in the loss or restriction of our intellectual property rights, compromise exclusivity of such intellectual property rights and expose us to legal and reputational risks.

Claims that our drug candidates infringe, misappropriate or otherwise violate the intellectual property rights of third parties could result in significant legal expenses.

There is no assurance that our drug candidates or future products do not and will not in the future infringe, misappropriate or otherwise violate third-party patents or other intellectual property rights. Third parties may allege that our research methods, product development processes or the compounds we use infringe, misappropriate, or otherwise violate their intellectual property rights. Litigation relating to patents and other intellectual property rights is common in the biotechnology industry. Some claimants may possess significantly greater financial and legal resources than we do, enabling them to sustain complex and prolonged litigation. It is also possible that we failed to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties having claims that cover our drug candidates. Patent applications are typically published several months after filing, and in some cases may remain unpublished. Third parties may have pending applications that later issue as patents covering our technologies or products. Therefore, we cannot guarantee that our research and analyses have exhaustively reviewed all of the existing and future patents that potentially cover our products. As our pipeline expands and more patents are granted in our field, the risk of inadvertent infringement increases. Third parties may allege they have patent rights encompassing our drug candidates, technologies or methods. We cannot guarantee that we were the first to invent, or the first to file patent applications on our drug candidates or for their uses, nor can we ensure that our products will not infringe patents that are currently issued or may be issued in the future. Additionally, pending third-party patent applications that have been published can be later amended in ways that could encompass our products or their intended uses. If a third party were to assert claims of patent infringement against us, a court could hold that such third-party patent is valid, enforceable and infringed. Defending such claims would also incur substantial expenses and potential damages, including increased damages and attorney fees if we are found to have infringed such rights willfully. To resolve or avoid such disputes, we may seek licenses from third parties. These licenses may not be available on commercially reasonable terms, or at all. Even if obtained, they may be non-exclusive, allowing competitors to access the same intellectual property. We could ultimately be prevented from commercializing a

drug candidate or be forced to modify or cease some or all aspects of our business operations if we cannot enter into licenses on acceptable terms.

Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property rights could be costly and time-consuming. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, we risk that some of our confidential information may be compromised by disclosure during discovery stage. Even if we prevail or settle early, such proceedings could result in substantial unanticipated costs and divert management and employee attention from core business activities. Moreover, we may lack the financial or operational resources to adequately defend against such claims. Public disclosure of intellectual property disputes may also negatively impact the perceived value of our drug candidates, programs, or proprietary technologies, potentially leading to a decline in the market price of our shares. Furthermore, the uncertainties associated with litigation could also affect our ability to raise capital, secure licensing arrangements or enter strategic partnerships necessary to advance our drug candidates toward commercialization.

We may also initiate lawsuits to protect or enforce our patents and other intellectual property, which could be expensive, time-consuming and unsuccessful.

In cases where competitors and other third parties infringe, misappropriate or otherwise violate our intellectual property rights, we may need to initiate legal proceedings to assert and defend our rights, including filing lawsuits for patent infringement. These actions can be costly, time-consuming and disruptive, diverting the attention of our management, legal teams and scientific personnel from core business operations. Additionally, any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringed, misappropriated or otherwise violated their patents, trade secrets or other intellectual property. Such counterclaims may allege invalidity or unenforceability of our patent. The outcome of such legal challenges is inherently unpredictable, and we cannot guarantee that no invalidating prior art exists that was overlooked during examination. If a third party succeeds in asserting that one or more of our patents are invalid or unenforceable, we could lose part or all of the protection afforded by those patents. This could significantly impair our ability to exclude competitors from the market and materially affect our business operations. There is no assurance that we will prevail in any patent infringement proceedings. Courts may determine that our patents are invalid or unenforceable, in whole or in part, or may interpret our patent claims narrowly, limiting their protective scope. Even if the validity of our patent is upheld, the court may construe the patent's claims narrowly or decide that our patents do not cover the technology at issue. Conversely, we may choose to challenge the patentability of claims in a third party's patent by initiating opposition, re-examination or other administrative proceedings before patent offices such as USPTO or CNIPA. Such proceedings can be expensive, time-consuming and inherently uncertain. If we fail to obtain favorable results, we may be exposed to litigation from third parties alleging that our drug candidates or proprietary technologies infringe their patents.

We may be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their former employers.

Many of our employees, including our senior management, have previously worked at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims alleging misappropriation of intellectual property, including trade secrets, from former employers or other companies with which our consultants or advisors are affiliated. Litigation to defend against such claims could be costly and distracting, and adverse outcomes could result in loss of intellectual property rights or be required to obtain license that may not be available on commercially reasonable terms. In addition, such claims may lead to the

departure of key personnel, further impacting our operations and strategic execution. If any of the foregoing events occur, our ability to develop, manufacture and commercialize the drug candidates could be impacted.

If our trademarks and trade names are not adequately protected, we may not be able to build brand recognition in our markets of interest which may have an adverse effect on our business.

They may be, and certain trademark has been subject to third-party objections. In addition, pending trademark applications may be subject to governmental objections, and there can be no assurance that any currently pending trademark applications or any future trademark applications will be approved. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially and adversely affect our business. Failure to prevent third parties from infringing, diluting, or otherwise misusing our trademarks, trade names, or trade dress, or engaging in unfair competition, defamation or other violations of our rights could materially harm our brand equity and business operations. Even if our registration to the trademarks, trade names or logos are successful, they may be challenged, infringed, circumvented or declared generic. Competitors or other third parties may adopt trademarks, trade names or logos similar to ours, thereby impeding our ability to build brand identity. If our trademarks, trade names and logos are not adequately protected, we may not be able to build name recognition and reputation in our markets of interest. Failure to build and protect brand recognition based on our trademarks, trade names and logos could hinder our competitiveness. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, or other intellectual property may be ineffective and could result in substantial costs and diversion of resources.

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

The degree of protection afforded by our intellectual property rights is uncertain and may not be sufficient to safeguard our business or maintain our competitive advantage. For instance, we may not have been the first to invent or file patent applications for certain inventions, which could affect the validity or enforceability of our patents. Third parties may independently develop similar or alternative technologies without infringing our intellectual property rights, our pending patent applications may not result in issued patents, and issued patents may not provide meaningful protection, commercial advantage or withstand legal challenges. Competitors may conduct research and development activities in jurisdictions where we lack patent protection and use the resulting data to commercialize competing products. In addition, inventors named on our patent applications may become involved with competitors or develop products that design around our patents, foreign laws may not protect our proprietary rights to the same extent as the laws of China, the scope and validity of our intellectual property may be uncertain due to complex legal and factual issues, our collaborators may develop competing products outside the scope of our patents, our drug candidates may be subject to third-party intellectual property rights, we may fail to develop additional patentable technologies, or we may choose not to patent certain trade secrets or know-how, which could later be patented by third parties. Any of these events could result in reduced intellectual property protection and adversely affect our ability to develop, manufacture and commercialize our drug candidates.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We incurred net losses in 2024 and 2025 and anticipate that we will continue to incur net losses for the foreseeable future.

Investment in biotechnology development is speculative and involves significant risks, including the potential failure of drug candidates to demonstrate efficacy or safety, gain regulatory approval, or achieve commercial viability. In 2024, 2025, we recorded net losses of RMB312.3 million and RMB203.5 million. Substantially all of these losses were attributable to our research and development expenses and/or administrative expenses. We expect to continue to incur significant expenses and operating losses for the foreseeable future. Developing a new drug typically takes many years and involves unforeseen expenses, complications and delays, which can adversely affect our business and financial condition. If we fail to develop and commercialize our drug candidates we may not be able to generate sufficient revenues and continue to experience significant losses in the future. Even if successful, this is no guarantee that subsequent periods will also be profitable and without further out-license revenue they are unlikely to be so. Without continued revenue from out-licensing or commercialization, future profitability is unlikely.

We had net cash outflow from operating activities since our inception, and may need to obtain additional financing to fund our operations.

During the Track Record Period, our operations consumed a substantial amount of cash. We recorded net cash used in operating activities of RMB240.9 million, RMB130.0 million, RMB28.6 million and RMB8.6 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. In addition, we might expect to incur significant development expenses relating to our current drug candidates and future pipeline. We expect that we will continue to experience net cash outflows from our operating activities for the foreseeable future.

We had net liabilities and net current liabilities in 2024 and 2025 and we cannot assure you that we will not record the same in the future.

As of December 31, 2024, our net current liabilities were approximately RMB1,060.5 million. Net liabilities as of December 31, 2024 and 2025 were RMB1,103.3 million and RMB39.9 million, respectively. See "Financial Information – Liquidity and Capital Resources – Net Current Assets/Liabilities." A sustained net current liabilities position may constrain our ability to fund essential capital expenditures, invest in research and development or pursue strategic growth initiatives. It also increases our reliance on external financing to meet short-term obligations. There is no assurance that we will not continue to have net current liabilities in the future. If we are unable to secure adequate financing to satisfy working capital requirements, we may be forced to delay, scale back or abandon planned business strategies, expansion projects or operations.

We have not yet generated any revenue from sales of drug products.

We have not yet generated any revenue from the sale of drug products. As of the Latest Practicable Date, we have no drug products approved for commercial sale and do not expect to generate revenue from product sales until we obtain regulatory approval for one or more of our drug candidates. Even if one or more of our drug candidates are approved for commercial sale, we expect to incur substantial costs associated with commercialization, including marketing, distribution and post-approval regulatory compliance. Furthermore, our ability to generate meaningful revenue from any approved product will depend on several market-related factors, such as the size of the addressable market, the scope of the approved indication, the level of competition and physician adoption, the pricing of the product and the extent of reimbursement

coverage. If the actual market size is smaller than estimated, the approved indication is narrower than expected, or competition limits our market share, we may not generate significant revenue even if our products are approved. Failure to generate sufficient revenue from product sales could prevent us from achieving or sustaining profitability.

We benefit from government grants, and any expiration or modifications of these grants could adversely affect our profitability.

In 2024, 2025 and the three months ended March 31, 2025 and 2026, we recognized government grants of RMB6.1 million, RMB52.3 million, RMB20.2 million and RMB2.7 million as other income, respectively. Some of the government financial incentives, grants or funding are granted on a project-by-project basis subject the satisfaction of certain conditions, including completion of the specific projects therein and compliance with the conditions imposed maintaining operations or physical facilities. We cannot guarantee that we will satisfy all relevant conditions. In the event that we fail to satisfy any such condition, we may be required to forfeit and/or return the relevant subsidies, grants or funding. Additionally, we may be subject to early repayment obligations for any related debt instruments. As such, any reduction, modification, delay or elimination of government support or change in tax laws can adversely affect our financial condition. There is no assurance that existing subsidies or tax benefits will continue, nor can we guarantee eligibility for future support programs.

Our share-based awards may result in increased share-based compensation expenses and potentially dilute existing shareholders' equity.

We have granted share-based payments to attract and retain outstanding individuals to serve the Company. As a result, our expenses associated with share-based payment may increase over time. We may from time to time revise the vesting schedules, lock-up periods, exercise prices or other key terms under our share incentive plans, which could result in significant changes to our share-based payment expenses. Such adjustments may lead to significant changes in our share-based payment expenses. In addition, such share-awards may dilute the shareholding percentage of our existing Shareholders.

We may need substantial additional financing to fund our operations and may be forced to accept unfavorable terms or limitations on our operation during the process.

We may pursue additional funding through a combination of equity offerings, debt financing and strategic collaborations or sales arrangements for our drug candidates. To the extent that we raise additional capital through the sale of equity or convertible debt securities, our Shareholders may experience dilution. These securities may also carry preferential rights, such as liquidation preferences, which could negatively affect the rights of holders of our ordinary shares. Taking on additional debt or issuing certain equity instruments may increase our fixed financial obligations and impose restrictive covenants. In addition, the issuance of additional equity securities may cause the market price of our Shares to decline. Moreover, collaborations, out-licensing or sales arrangements entered into to raise capital may require us to accept less favorable terms, including the transfer of rights we would otherwise retain.

RISKS RELATING TO OUR OPERATIONS

Our success relies on key management and other employees.

We are particularly dependent on our senior management and key clinical and scientific personnel, as well as other employees and consultants. The loss of the services of any of these individuals could delay or hinder the development of our drug candidates and impair our operations. There is no assurance that we will not encounter challenges in attracting and retaining qualified employees going forward. Competition for qualified employees in the

biotechnology and pharmaceutical industries is intense. We may not be able to retain or attract experienced management and key clinical and scientific personnel. Additionally, the departure of one or more of our management or key clinical and scientific personnel, whether they join a competitor or form a competing company or not, could also disrupt our drug development progress as we might struggle to replace them in a timely manner, under commercially reasonable terms, or at all.

Off-label use of our products after their approval could lead to adverse drug reactions and negative results that may materially harm the reputation of our company.

Products approved and sold in the market may be subject to off-label use. As many pathways targets in autoimmune disease overlap and interact, there are chances that our drug candidates as well as those of our competitors could be used off-label after approval, even though authorities like the NMPA actively enforce rules against promoting off-label use. If our drugs are used off-label, they might not work well or could cause unexpected side effects in patients they were not initially designed for. This could lead to bad publicity, harm our reputation, expose us to legal claims, delay clinical trials or even prevent future approvals on expanded indications. Conversely, off-label use of competing drugs could in effect intensify the competition that our products face and unfairly erode our part of the market share.

Product and professional liability claims or lawsuits against us could result in litigation, payment of substantial damages and increases in our insurance rates.

We face risks related to product and professional liability arising from clinical trials and future commercialization of our drug candidates, which may involve allegations such as design or manufacturing defects, failure to warn about potential risks, negligence, strict liability or breach of warranty. If we are unable to defend ourselves or obtain indemnification from our partners, we may face significant financial liabilities or be forced to limit the commercialization of our drug candidates. Defending against such claims would require substantial financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in reputational damage, trigger regulatory investigations, increase legal costs, divert management attention, result in large compensation payments, and lead to restrictions on labelling, marketing or promotion. Our insurance coverage may not be sufficient to cover all potential claims. If product liability claims are brought against us for uninsured liabilities, our assets may be insufficient to cover such claims and our business operations may be impaired.

Our supplier concentration may expose us to operational and development risks.

During the Track Record Period, we engaged a substantial portion of our outsourced services from a group of major suppliers, primarily CROs, CDMOs and clinical trial sites. We expect to continue relying on these partners for critical activities such as pre-clinical research, clinical trial management and manufacturing of products for pre-clinical and clinical studies. Our dependence on a concentrated supplier base may expose us to several risks. Any deterioration or termination of these relationships could disrupt ongoing studies, delay regulatory submissions and impair our ability to meet development timelines. Furthermore, if these service providers significantly increase their fees or experience capacity constraints, we may need to seek alternative vendors offering comparable quality and compliance standards.

We have relied on third-party agencies to handle certain employee benefit contributions, and any deficiencies in their practices may result in liabilities for us.

Companies operating in China are required to participate in various statutory employee benefit plans. Contributions must be made based on a certain percentage of employees' total compensation up to a maximum amount set by local authorities at the location of our business operations. In addition, Article 19 of the interpretation (II) issued by the Supreme People's Court

of the PRC on Legal Issues in the Trial of Labor Dispute Cases further set forth that where an employer and an employee agree, or an employee undertakes, that there is no need to pay social insurance contributions, the People's Court shall determine such agreement or undertaking invalid, and where an employer fails to pay social insurance contributions in accordance with the law, and an employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38 (iii) of the PRC Labor Contract Law, the People's Court shall support such claims in accordance with the law, affirming that employees are entitled to request termination of their labour contracts and receive corresponding economic compensation under the PRC Labor Contract Law if the employer fails to make social insurance contributions as required by law. During the Track Record Period, we engaged third-party human resources agencies to pay social insurance premium and housing provident funds, as requested by the relevant employees. However, there is a possibility that the competent government authorities may determine that such arrangements do not fully comply with applicable PRC laws and regulations. In the event that the relevant governmental authorities do not recognize the amount of social insurance premium and housing provident funds that we contributed through third-party agencies, it may be deemed that we have failed to make full and proper contributions, with the social insurance premium and housing provident funds paid by third-party human resources agencies on behalf of us. We cannot assure you that future changes in laws, regulations or their enforcement will not require us to retroactively make up any shortfall in contributions.

We may not be able to renew existing leases or address deficiencies in our leased properties.

As of the Latest Practicable Date, all of our current office premises and laboratory facilities are leased property. As such, we are exposed to risks associated with lease renewals and the availability of suitable replacement properties. If we are unable to renew our existing leases on commercially reasonable terms, we may be forced to relocate which could result in significant costs, operational disruptions and delays in research and development activities.

As of the Latest Practicable Date, one of our leased properties used for business operation did not have any property ownership certificate. See "Business – Land and Properties – Leased Properties." Any dispute or claim in relation to these properties, including the lessors' alleged unauthorized lease of these properties, could force us to relocate these properties. If our lease is therefore terminated or becomes unenforceable as a result of challenges from third parties, we would need to seek alternative properties and incur relocation costs. Any relocation could lead to disruptions to our operations. In addition, as of the Latest Practicable Date, one of our leased properties used for warehousing were yet to complete registration and filing procedures. As advised by our PRC Legal Advisor, the non-registration and filing of the relevant property lease will not affect the validity of the lease contracts and the legal use of the leased properties, but relevant local housing authorities may require us to complete the filing within the prescribed period and we may be subject to penalties of RMB1,000 to RMB10,000 as a result of delay in filing for each lease agreement of such properties. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner once we are required to do so.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Failure to respond to development in changes in the economic, political or social conditions or government policies in the jurisdictions where we operate.

Our business, financial condition and prospects may be influenced by the general political, economic, social and legal conditions in the country where we operate. The majority of our business, assets and operations are located in China and we remain particularly exposed to the evolving regulatory landscape and macroeconomic conditions within the PRC. In addition,

uncertainties relating to the global economy and political environment in various regions will continue to impact China's economic growth. The growth of China's economy has been uneven across different regions and economic sectors. We are unable to predict all risks and uncertainties that we face as a result of current economic, political, social and regulatory developments, which are generally beyond our control. There can be no assurance that our efforts will be successful in providing protection against adverse outcomes in all circumstances.

Your ability to initiate legal proceedings or enforce foreign judgments against us, our Directors and senior management may be limited.

We are a company incorporated under the laws of the PRC, with substantially all of our business, assets and operations located in China. Additionally, the majority of our Directors and executive officers reside in China, and most of their assets are also located in China. Under the PRC Civil Procedure Law and other applicable laws and regulations, foreign court judgments may be recognized and enforced in the PRC only where reciprocal enforcement arrangements exist. Therefore, you may be unable to enforce judgments obtained in courts of those jurisdictions against us and our officers residing in the PRC. Specifically, pursuant to the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and the Hong Kong Special Administrative Region, a party holding an enforceable final civil or commercial judgment rendered by a designated court of Chinese Mainland or Hong Kong may apply for recognition and enforcement of such judgment in the relevant courts of the other jurisdiction, subject to certain exclusions. However, there can be no assurance that judgments rendered by Hong Kong courts will be recognized or enforced in the PRC, as each judgment remains subject to case-by-case review by the competent PRC courts under the Arrangements.

We are subject to certain regulatory requirements over foreign currency conversion and remittance.

The conversion and remittance of our operating cash are governed by the specific foreign exchange authorities under related laws and regulations. We may need to convert a portion of our Renminbi into other currencies for the purpose of business operation, capital investment and other operational expenditures. Under existing regulations, such foreign exchange conversions remain subject to stringent controls. Prior registration and other procedures with the relevant government authorities will be required before converting Renminbi into foreign currency and remitting it out of the PRC to cover capital expenses. A shortage of available foreign currency could limit our ability to fulfill our foreign currency-dominated obligations, such as paying dividends to our Shareholders. Foreign exchange transactions under our capital account continue to be subject to significant foreign exchange controls and require the approval of the SAFE or its local branches. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

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

Under the current tax laws and regulations in China, 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 our H shares. For non-Chinese resident enterprises, according to the EIT Law, its implementation rules and the Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises issued by the STA on November 6, 2008, PRC withholding tax generally applies at a rate of 10% to dividends from PRC sources payable to investors that are non-PRC resident enterprises. This applies to those who do not have an establishment or place of business in the PRC, or whose relevant income is not effectively connected with their

establishment or place of business, unless a treaty or similar arrangement provides otherwise. Additionally, any gain realized on the transfer of shares by such investors is subject to a 10% PRC income tax if the gain is considered income derived from sources within the PRC.

For non-PRC resident individuals, according to the PRC Individual Income Tax law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are subject to a PRC withholding tax at a rate of 20%. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045, such dividends are generally subject to a reduced withholding tax rate of 10%, if the individual resides in a jurisdiction that has entered into a tax treaty or arrangement with China. In addition, pursuant to the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation, individuals' income from the transfer of listed shares obtained from the public offering of listed companies and the transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, unless otherwise regulated. As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-Chinese Mainland resident individuals on the sale of shares of Chinese Mainland resident enterprises listed on overseas stock exchanges. If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your **[REDACTED]** may be affected. Furthermore, our Shareholders whose jurisdictions or residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares, and their liquidity and [REDACTED] may be volatile.

There is currently no public market for our H Shares. The **[REDACTED]** may differ from the market price of our H Shares following the **[REDACTED]**. A **[REDACTED]** does not guarantee that an active or liquid **[REDACTED]** will develop or be sustained. Even if a trading market does develop, there is no assurance that the **[REDACTED]** or **[REDACTED]** of our H Shares will not decline following the **[REDACTED]**. The **[REDACTED]** and **[REDACTED]** of our H Shares may be subject to significant volatility due to factors beyond our control, including general market conditions in Hong Kong and globally. In particular, the business performance and market valuation of other companies engaged in similar businesses may influence the **[REDACTED]** of our H Shares. In addition to broader market and industry factors, our H Shares may experience volatility due to company-specific developments. Moreover, shares of other companies listed on the Stock Exchange have historically experienced substantial price volatility, and our H Shares may be similarly affected by market sentiment or trading activity unrelated to our actual business performance. Any of the foregoing factors could result in fluctuations in the **[REDACTED]** or **[REDACTED]** of our H Shares.

The liquidity, [REDACTED] and [REDACTED] of our Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The price and **[REDACTED]** of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the **[REDACTED]** and **[REDACTED]** of our Shares. In

addition to market and industry factors, the **[REDACTED]** and **[REDACTED]** of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and significant dilution and may experience further dilution in the future.

The **[REDACTED]** of the **[REDACTED]** is higher than the net **[REDACTED]** per H Share immediately prior to the **[REDACTED]**. Therefore, purchases of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value. If we **[REDACTED]** additional H Shares or other securities in the future for consideration of our business, your shares may be further diluted.

We may not declare and distribute any amount of dividends in the future.

No dividends have been paid or declared by our Company during the Track Record Period. We cannot guarantee when and in what form dividends will be paid on our Shares following the **[REDACTED]**. Under the applicable laws and regulations in the PRC, the payment of dividends may be subject to certain limitations. Any future determination to pay dividends will be at the discretion of us and may be based on several factors, including our future operations and earnings, capital requirements and surplus, general financial condition, regulatory and contractual restrictions and other factors deemed relevant by us. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Future sales or perceived sales of substantial amount of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares.

The future sale of a substantial number of our Shares, particularly by our Directors, executive officers and substantial Shareholders (even as perception or anticipation), could affect the **[REDACTED]** of our Shares and ability to raise equity capital at a favorable time and price. Some of the Shares are subject to lock-up periods starting from the date our Shares begin **[REDACTED]** on the Stock Exchange. We cannot guarantee that such individuals will not sell any Shares they currently own or may acquire in the future.

There are risks associated with forward-looking statements contained in this Document.

This document contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate", "believe", "could", "estimate", "expect", "may", "ought to", "should" or "will" or similar terms. Those statements include the discussion of our strategy and expectations concerning our future operations, liquidity and capital resources. **[REDACTED]** in our Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by us that our plans or objectives will be achieved and **[REDACTED]** should not place undue reliance on such forward-looking statements. We do not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. See "Forward-Looking Statements."

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from government publications contained in this Document.

Certain facts, forecasts and statistics in this document, particularly in the section titled "Industry Overview", related to the PRC and global economy and the industry in which we operate, are sourced from publicly available sources such as government publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of these sources. We believe that the sources of the information are appropriate and have taken reasonable care in extracting and reproducing such information. We do not believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by our Group, the Joint Sponsors, or any other party involved in the **[REDACTED]**, and no representation is made as to its accuracy or completeness. Due to potentially flawed or ineffective sampling, discrepancies between published information from official government sources and market practice and other issues, the statistics in this document related to the PRC and global economy and the industry in which we operate may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Moreover, these facts, forecasts and statistics involve risks and uncertainties and are subject to change based on various factors. You should consider the weight and importance of such facts or statistics and should not place undue reliance on them.

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

The **[REDACTED]** is based solely on the information and representations contained in this Document, which we believe to be true and accurate to the best of our knowledge. Any information not included in this Document should not be relied upon when making an **[REDACTED]** regarding the securities being **[REDACTED]**. Prior to the publication of this Document, media coverage about us and the **[REDACTED]** may have included financial information, projections, valuations and other forward-looking statements. You should be aware that third-party sources may have used outdated, incomplete or inaccurate information, and their opinions may not be independent or objective due to potential conflicts of interest. Media coverage of our Company and the **[REDACTED]** may be influenced by various factors, including individual journalist biases, media outlet preferences and advertiser demands. We do not make any representation regarding the appropriateness, accuracy, completeness or reliability of any projections, valuations or other forward-looking information about us. If such statements are inconsistent with or conflict with the information contained in this document, we disclaim responsibility for them. By applying to **[REDACTED]** our H Shares in the **[REDACTED]**, you agree that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the **[REDACTED]**.