You should carefully consider all of the information in this document, including the risks and uncertainties described below before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the price of our H Shares could decline, and you may lose all or part of your investment. 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.

We believe that there are certain risks involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to the sales and marketing of our approved vaccine products and commercialization of our vaccine candidates; (ii) risks relating to our financial condition and need for additional working capital; (iii) risks relating to the development and regulatory approvals of our vaccine candidates; (iv) risks relating to our intellectual property rights; (v) risks relating to the manufacturing and supply of our vaccine products; (vi) risks relating to government regulations; (vii) general risks relating to our business; (viii) risks relating to doing business in the regions where we operate; and (ix) risks relating to the [**REDACTED**].

RISKS RELATING TO THE SALES AND MARKETING OF OUR APPROVED VACCINE PRODUCTS AND COMMERCIALIZATION OF OUR VACCINE CANDIDATES

We have historically derived, and expect to continue to derive, a substantial portion of our revenue from a single product, our Adsorbed Tetanus Vaccine.

During the Track Record Period, a substantial portion of our revenue was derived from the sales of our Adsorbed Tetanus Vaccine. In 2023, 2024 and 2025, revenue generated from our Adsorbed Tetanus Vaccine was RMB463.0 million, RMB535.8 million and RMB613.7 million, respectively, accounting for approximately 93.7%, 91.4% and 87.6% of our total revenue for the corresponding years, respectively. Our other commercialized products, including Hib Conjugate Vaccine and AC Conjugate Vaccine, are not expected to generate significant revenue in the near future. Our product candidates in pipeline are still in development or pre-clinical stages and there can be no assurance that they will be successfully developed or commercialized in a timely manner, or at all. We anticipate that sales of our Adsorbed Tetanus Vaccine will continue to be a primary contributor to our revenue and profitability in the near future. Consequently, any factor adversely affecting the sales of this product could materially and adversely affect our business, financial condition, results of operations and prospects.

Factors that could affecting the sales of our Adsorbed Tetanus Vaccine include, but are not limited to, the following, most of which are beyond our control, include (i) increased competition from existing products or new market entrants; (ii) new comparative or compelling product introductions by market newcomers or our competitors, which may be perceived as more effective, safer, or more cost-effective; (iii) the cost of our vaccine relative to alternative treatments; (iv) any adverse changes in the results, timing and procedures of lot release determining whether we could market our product; (v) unfavorable results of public tenders determining whether we would be permitted to sell in designated markets or any failure to win such tenders; (vi) the market acceptability of our product to local CDCs and vaccinees and their willingness and ability to purchase; (vii) PRC government-imposed pricing constraints, reimbursement policies, or pricing guidance; (viii) disruptions in our manufacturing, supply chain or sales channels, including any issues with our single manufacturing facility or key distributors; (ix) negative media coverage and public opinion on any actual or perceived side effect of vaccination with our product or discovery of previously unknown adverse reactions; and (x) newly discovered safety issues, such as issues relating to product quality or quality control, which could lead to product recalls, withdrawal of regulatory approvals, and significant reputational damage.

If our bids in the public tender process are not successful or we fail to secure subsequent orders, our business may be adversely affected.

We are required to participate in the public tender process held by provincial-level CDCs to sell some of our vaccine products, in particular, our Adsorbed Tetanus Vaccine, which is marketed as a Class II vaccine, in China. We generally compete with competitors on the technical designs, registration classification, bid price, clinical effectiveness and quality of product, as well as reputation. Once we win a public tender, we will be eligible to sell vaccine products to CDCs. As of the Latest Practicable Date, our Adsorbed Tetanus Vaccine (vial formulation) had completed the market-entry process in 30 provinces in the PRC (except Tibet Autonomous Region, which had not conducted any public tenders applicable to our commercialized vaccine products), while our Adsorbed Tetanus Vaccine (pre-filled syringe formulation), which was launched in 2023, had completed the market-entry process in 29 provinces (except Guizhou Province, which had not yet conducted a new tender or supplementary tender for such products after its launch). In addition, our AC Conjugate Vaccine and Hib Conjugate Vaccine had completed the market-entry process in 29 provinces (except Shanghai). See "Business — Sales and Marketing — Selling Process and Market Access." Our bids during the public tender process may not be successful and our vaccine products, including any vaccine products that we commercialize in the future, may not be chosen for a number of reasons, such as: (i) our prices are not competitive; (ii) our products are perceived to be less clinically effective than competing products; (iii) our service quality or any other aspect of our operation is perceived not to meet relevant requirements; or (iv) our reputation is adversely affected by unforeseeable events.

If we fail to participate or bid successfully during any public tender process, we will not be able to sell our products to the relevant CDCs, which will negatively impact our sales volume as well as our financial condition and results of operations.

Even if we bid successfully, we cannot guarantee that we will be able to secure purchase orders from local CDCs. For Class II vaccines, public tenders serve as an admission for entry to market of the relevant province. Following the public tenders, we are required to participate in the local selection process held by district- or county-level CDCs to sell our vaccine products to specific districts or counties. Therefore, winning the public tender does not guarantee that we will make sales to local CDCs. If we fail to secure subsequent product orders from local CDCs after we bid successfully at the higher level of CDCs, our sales volume and results of operations will be materially and adversely affected.

Our sales to CDCs may subject us to uncertainties associated with the government funding, budgeting and decision-making process.

During the Track Record Period, our customers were primarily district- or county-level CDCs, which are government agencies administrating public health affairs. These arrangements expose us to certain risks relating to doing business with public authorities. For example, changes in circumstances may result in adjustments or delays to, or cancellations of, the CDCs' purchase commitments due to, among others, differing policy and budgetary agendas. Any of the aforementioned actions taken by the authorities could have a material adverse effect on our results of operations and expected earnings, or result in our failure to meet, or having to adjust downwards, our sales estimates.

Our vaccine products may become subject to national or other third-party reimbursement practices or unfavorable pricing regulations, which could harm our business.

The availability and level of reimbursement from PRC government health authorities, private insurers and other payors may affect the commercialization of our vaccine products. Most of our approved vaccine products and vaccine candidates are not currently, and are not expected to be, covered by national reimbursement programs, mainly because they generally do not target diseases requiring state-funded universal coverage. As end-users pay out-of-pocket, willingness to vaccinate may be lower, which could limit our target market and sales volume. If a competitor's vaccine for the same indication is reimbursed while ours is not, vaccinees may choose the competitor's product. PRC government authorities and third-party payors may control costs by limiting coverage or reimbursement levels. We cannot assure you that reimbursement will be available for our approved

vaccine products or future approved vaccine candidates, or that any reimbursement will be sufficient to cover our costs. Delays, limited coverage or unfavorable payment rates could materially and adversely affect our business, financial condition and results of operations.

Our pricing strategy and potential downward pricing pressure for our vaccine products may limit market acceptance, compress profit margins, and adversely affect our business.

Under the PRC Vaccine Administration Law, Class II vaccines are subject to reasonable pricing principles based on market factors and CDC demand. We determine our bidding prices and participate in provincial centralized bidding processes, where winning bids become our selling prices in the relevant provinces. As Class II vaccines are paid out-of-pocket by vaccinees, our sales are sensitive to pricing. If our bidding prices are too high, we may fail to win tenders, face regulatory scrutiny, lose market share to lower-priced competitors, or see reduced demand from price-sensitive vaccinees. Conversely, we may need to lower prices to remain competitive due to substitute products, centralized procurement dynamics or government pricing policies. Any significant price reduction, or failure to manage pricing pressure and communicate the clinical value of our products, could reduce our revenue and profit margins and materially and adversely affect our business, financial condition and results of operations.

If we fail to obtain regulatory approval in any targeted jurisdictions outside of China, we may not be able to market our products in those jurisdictions.

We may plan to market certain of our vaccine candidates, if approved, in jurisdictions outside of China. Entering into certain overseas market will require separate regulatory approvals in each region and compliance with numerous and varied regulatory requirements. Approval procedures vary among regions and countries, which may involve additional testing requirements, and the time required to obtain approval may differ from that needed for NMPA approval.

Our future success depends on our ability to maintain and expand a qualified and effective sales and marketing team. Failure to do so could prevent us from generating sustainable revenue.

The successful commercialization of our approved vaccine products and any future vaccine candidates is heavily dependent on our ability to maintain and expand an effective sales and marketing capability, either on our own or in partnership with third parties. This requires a sales and marketing force with a high level of technical knowledge, an up-to-date understanding of industry trends, expertise in relevant therapeutic areas, and strong communication and promotion skills. As of December 31, 2023, 2024 and 2025, our sales and marketing team comprised 47, 36 and 35 staffs, respectively.

Competition for qualified pharmaceutical sales professionals is intense, and recruiting, hiring and training an effective team can be costly and time-consuming. If we rely on third-party marketing partners, we may not be able to secure favorable arrangements, or any arrangements at all, which could delay or limit commercialization.

Our sales and marketing activities are also subject to stringent laws and regulations governing advertising, promotion and interactions with healthcare professionals. Misconduct or non-compliance by our employees or third-party partners could expose us to investigations, fines, reputational damage or other penalties. Any failure to maintain effective and compliant sales and marketing capabilities could adversely affect our sales volume, market penetration, revenue and profitability, and materially and adversely affect our business, financial condition and results of operations.

If we fail to effectively manage our third-party marketing service providers, our business and operations could be harmed, and we may be subject to product liability claims, potential litigation, governmental investigations and penalties.

In addition to our in-house sales and marketing teams, we also engage third-party marketing service providers to support our daily marketing activities. As of December 31, 2023, 2024 and 2025, we had 110, 97, 113 marketing service providers, respectively. During the years ended December 31, 2023, 2024 and 2025, the promotion service fees amounted to RMB217.9 million,

RMB253.9 million, and RMB319.8 million, respectively. We typically enter into long-term agreements with such providers, which may be renewed by mutual agreement. Although we may terminate these agreements under certain circumstances, our control over third-party providers is limited. If key providers, or a significant number of providers, suspend or terminate their relationships with us, or fail to effectively promote our vaccine products, our sales volume and business performance may be materially and adversely affected. Our third-party marketing service providers are required to comply with applicable regulatory requirements and our sales policies. However, their actions are not fully within our control. They may fail to maintain required qualifications, obtain local registrations, market our products as intended, meet our standards, or comply with applicable laws and regulations. Any such failure could expose us to product liability claims, litigation, governmental investigations, penalties and reputational damage.

Our approved vaccine products may fail to achieve the broad acceptance by CDCs, local POVs and clinics, physicians, vaccinees and others necessary for commercial success.

The commercial success of any of our approved vaccines or vaccine candidates to obtain approvals in the future will depend significantly on the broad acceptance by CDCs, local POVs and related healthcare professionals, vaccinees and others. The degree and rate of CDC's and vaccinees' adoption of our approved vaccines will depend on a number of factors, including (i) the clinical indications for which the product is approved and vaccinees demand for approved vaccine products that target those indications; (ii) the safety and efficacy of our vaccine products as compared to therapies for the disease and other available vaccines; (iii) the prevalence and severity of side effects; (iv) the time required for manufacture and release of our vaccine products; (v) the availability of coverage and adequate reimbursement from China's national or other third-party reimbursement practices for any of our products; (vi) acceptance by physicians, operators of local POVs and clinics and vaccinees of the product as a safe and effective treatment; (vii) proper training and administration of our products by physicians and medical staff; (viii) vaccinees' satisfaction with the results and administration of our products and overall treatment experience, including, for example, the convenience of any dosing regimen; (ix) the cost of treatment with our vaccine candidates in relation to alternative treatments; (x) limitations or warnings contained in the NMPA-approved labeling for our products; (xi) the effectiveness of our sales and marketing efforts; (xii) adverse publicity about our products or favorable publicity about competitive products; and (xiii) potential product liability claims. We cannot assure you that our approved vaccines will achieve broad market acceptance among physicians and vaccinees. Any failure by our vaccine candidates that obtain regulatory approval to achieve market acceptance or commercial success would adversely affect our results of operations.

Failure to maintain and predict inventory and finished goods levels in line with the level of demand for our vaccine products could cause us to lose sales or face excess inventory risks and holding costs, either of which could have a material adverse effect on our business, financial condition and results of operations.

To meet customer demand, we must maintain sufficient finished goods for timely delivery and appropriate raw material inventory for commercial production. If actual demand exceeds our forecast, we may be unable to maintain adequate inventory or produce products on time, which could cause us to lose sales and market share. Conversely, excess inventory may increase holding costs and the risk of obsolescence or write-offs. As of December 31, 2023, 2024 and 2025, we recorded inventories before write-down of RMB82.9 million, RMB93.5 million and RMB83.8 million, respectively, and inventory write-downs of RMB10.8 million, RMB7.8 million and RMB21.4 million, respectively.

According to the CIC Report, the vaccine industry in China generally features a relatively high level of inventory write-downs given (i) the difficulties in predicting the vaccination rate given the difficulties in predicting the number of infection cases, especially for newly launched vaccine products; (ii) the need to produce surplus vaccines to better prepare vaccine makers in case of need; and (iii) the relatively short shelf-life of vaccine products. See "Financial Information — Description of Certain Key Items From Our Consolidated Statement of Financial Position — Current Assets and Current Liabilities — Inventories" for more details relating to our inventories and write-down of inventories. We may routinely incur inventory write-offs and may incur significant inventory allowance due to unforeseen circumstances in the future.

We are exposed to risks associated with product returns.

According to the CIC Report, in line with industry practice, we accept returns of (i) products that are defective or are substandard; (ii) products with damaged packaging; and (iii) products that are otherwise unmarketable due to any fault on our part. To support our CDC customers and foster long-term relationships, we maintain a flexible return policy. Returns may arise, for example, when a CDC's initial demand forecast is higher than actual usage or due to the impact of unforeseen public health events on vaccination rates, leading to requests for returns of products nearing their expiry dates. In such cases where products are returned due to nearing their expiry date but are otherwise in good condition, we may, after re-inspection to confirm they continue to meet all quality standards, resell such products to other customers. See "Business — Sales and Marketing — Return and Exchange." Failure to anticipate and manage product returns effectively could materially and adversely affect our financial results and results of operations.

The market opportunities for our vaccines and vaccine candidates may be smaller than we anticipate or may contract over time, which could render our products unprofitable.

We estimate the incidence, prevalence and addressable market size of target vaccinee populations based on third-party sources and internal analyses. These estimates may prove inaccurate or be based on imprecise data. The actual market opportunity for our products depends on factors such as medical community acceptance, vaccinee access, pricing and reimbursement. If the addressable vaccinee population is smaller than expected, or if new studies reduce the estimated prevalence of the target diseases, we may not achieve profitability for these products even if they are successfully commercialized. Our target markets may also contract due to external factors or technological changes. If the infectious diseases targeted by our vaccines decline or are effectively controlled through public health initiatives, demand for our relevant products may decrease. In addition, advances in medical technology may lead to alternative vaccines or treatments. If competing products are perceived to be more effective, safer or more comprehensive than ours, demand for our products may decline. Any overestimation or contraction of our market opportunities could materially and adversely affect our business, financial condition and results of operations. or provide more comprehensive protection than our own, the market demand for our vaccines will decline.

We face risks from government actions regarding vaccines for diseases of major public health concern.

In response to a pandemic or the perceived risk of a pandemic, governments in China and other countries may take actions to protect their citizens, including but not limited to, intellectual property expropriation, compulsory licenses and/or strict price controls. These actions could limit our ability to control the production and generate revenue from sales of pandemic vaccines or otherwise impose burdensome regulations on our business. Additionally, we may be required by government or non-governmental authorities to reserve our vaccines for designated purposes or geographic areas, with stipulations on supply allocation. We may also face significant public scrutiny concerning our pricing policies with respect to our vaccines. If we are unable to successfully manage these risks, we could face significant reputational harm.

Risks associated with international regulatory approvals and overseas operations could materially and adversely affect our business and prospects.

We intend to market certain of our vaccine candidates in overseas markets if approved. However, we primarily conduct our clinical trials in China, and foreign regulatory authorities may not accept our domestic clinical trial data or may impose stringent conditions on its utilization. There can be no assurance that foreign regulators will accept our data, and any rejection would require us to conduct additional, costly, and time-consuming local clinical trials. This could significantly delay or prevent us from obtaining the necessary regulatory clearances for commercialization in those jurisdictions.

Even if we successfully secure overseas regulatory approvals, our international operations will subject us to a variety of operational, legal, and macroeconomic risks. These include unexpected changes in tariffs, trade barriers, and foreign regulatory frameworks; difficulties or delays in securing and enforcing intellectual property protections abroad; and potential interruptions in our

relationships with international partners. Additionally, expanding overseas increases our compliance burdens regarding diverse foreign tax, employment, and labor laws. We will also face heightened exposure to foreign currency fluctuations, remittance limitations, and general economic or geopolitical instability in specific foreign markets. Failure to effectively manage these regulatory hurdles and international operational risks could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Counterfeits of our products could negatively affect our sales, damage our reputation and brand names, and expose us to liability claims.

Our products may be imitated by counterfeit pharmaceutical products that are manufactured without proper licenses or approvals, or fraudulently mislabeled as to their content or manufacturer. Enforcement against counterfeit pharmaceutical products, particularly in developing markets such as the PRC, may be insufficient to eliminate their manufacture and sale. Counterfeit products are generally sold at lower prices and may appear similar to authentic products, which could erode our sales volume. They may also be less effective, ineffective or more likely to cause adverse side effects. This could result in negative publicity, reputational damage, fines, administrative penalties or litigation against us. The continued presence of counterfeit products may also harm consumer trust in distributors and pharmacies, and damage the reputation and brand names of our products.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL WORKING CAPITAL

Our historical growth rates may not be indicative of our future performance, and we may not be able to manage our future growth effectively.

We experienced growth during the Track Record Period. Our revenue increased from RMB494.3 million in 2023 to RMB586.1 million in 2024, and further to RMB700.1 million in 2025. However, historical results may not indicate future performance, and we may not sustain similar growth. Our future growth depends on factors such as industry conditions, execution of our strategies, our ability to secure new orders and increasing competition. Our growth has placed, and may continue to place, pressure on our management, operations and financial control systems. To manage growth effectively, we must continue to expand and train our workforce, improve our operational, financial and management systems, and maintain effective internal controls. If our personnel, systems, procedures and controls are insufficient, or if our growth does not materialize as expected, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We had net operating cash outflows during the Track Record Period, and we may need to obtain additional financing to fund our operations.

We had net cash flows used in operating activities of RMB5.7 million in 2024. See "Financial Information — Liquidity and Capital Resources — Cash Flows Analysis." We expect that we may continue to experience net cash outflows from our operating activities for the foreseeable future. If we are unable to maintain adequate working capital, we may default in our payment obligations and may not be able to meet our capital expenditure requirements, be unable to meet our capital expenditure requirements, be forced to scale back our operations, and/or experience other negative impacts on our operations, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to receive PRC tax preferential treatments and certain government grants in the future, which could have an adverse impact on our financial results.

We currently benefit from certain PRC tax incentives and government grants. Our Company enjoyed a 100% super-deduction on qualifying research and development expenses during the Track Record Period. If this benefit is no longer available, our effective tax rate may increase. In addition, our Company currently holds a High Technology Enterprise certificate and is therefore entitled to a preferential enterprise income tax rate of 15%. We will apply for renewal of such certificate upon expiry, but there is no assurance that we will succeed, as the qualification is reassessed every three years and the standards may change. If the preferential rate is discontinued, our income tax expenses would increase and our profitability could decrease.

We also received government grants recorded as other net income of RMB15.8 million, RMB10.1 million and RMB12.6 million, representing 3.2%, 1.7% and 1.8% of our revenue in 2023, 2024 and 2025, respectively. Tax incentives and grants are subject to changing laws, policies and government discretion, and government grants are generally non-recurring. Any reduction or discontinuation of these benefits could adversely affect our business, financial condition and results of operations.

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

During the Track Record Period, we funded our operations primarily through equity financing, bank borrowings and cash generated from operations. We may need additional funds to meet future operating cash requirements, particularly for research and development activities.

Our cash operating costs mainly relate to the research and development of our vaccine candidates, and the production and marketing of our commercialized vaccine products. As we expand our business and vaccine portfolio, we may seek funding from existing shareholders, public or private offerings, debt financing, collaborations, licensing arrangements or other sources. Financing may not be available in the amounts or on terms acceptable to us, or at all, and we may face difficulties obtaining or renewing bank loans. If we cannot obtain sufficient capital when needed, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We face credit risks relating to our trade receivables.

We are exposed to certain risks when it comes to collecting payments from CDCs. Demand and ability to pay for our products may be affected by their budgetary cycles, shifting availability of funds and changes in government procurement policy. We typically grant credit periods ranging from three months to six months to CDCs. The recovery period of the payment can be long due to the complex internal processes for settling payments of CDCs. As of December 31, 2023, 2024 and 2025, our trade receivables and bills receivables were RMB525.7 million, RMB611.1 million and RMB713.5 million, respectively. Our trade receivables turnover days were 382 days, 349 days and 341 days in 2023, 2024 and 2025. For more details on our trade receivables, see "Financial Information — Description of Certain Key Items From Our Consolidated Statement of Financial Position — Current Assets and Current Liabilities — Trade and Other Receivables."

We cannot assure you that CDCs could settle trade receivables in a timely manner, or at all, or that we can properly assess and respond in a timely manner to changes in their credit profile and financial condition. The delays in collecting payments from CDCs could adversely affect our cash flow and our working capital position for our normal business operation, our ability to make payments when due or to satisfy our financial needs to produce vaccines, conduct R&Ds or other business activities as planned, which in turn would materially and adversely affect our financial condition and results of operations.

An impairment in the carrying value of intangible assets could have a material adverse effect on our financial condition and results of operations.

We had intangible assets of RMB192.3 million, RMB288.9 million and RMB355.4 million as of December 31, 2023, 2024 and 2025, respectively. Although we did not recognize impairment losses in respect of intangible assets during the Track Record Period, intangible assets not yet available for use are tested impairment annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. We cannot assure you that there will not be any impairment in respect of the intangible assets in the future. If we determine our intangible assets to be impaired, it may adversely affect our financial condition and results of operations.

Our results of operations, financial condition and prospects may be adversely affected by fair value changes and credit risk associated with our financial assets measured at FVPL.

Our financial assets measured at FVPL include wealth management products managed by financial institutions in the PRC. As of December 31, 2023, 2024 and 2025, we had financial assets measured at FVPL of nil, RMB17.5 million and RMB2.6 million, respectively. The principal of the wealth management products was unguaranteed by the relevant financial institution. Changes in the fair value of the wealth investment products are reflected in our consolidated statements of profit or loss and other comprehensive incomes. The methodology that we use to assess the fair value of our wealth investment products involve a significant degree of management judgment and are inherently uncertain. We cannot assure you that wealth management products we invest in the future will create fair value gains. If we incur such fair value losses, our results of operations and financial condition may be adversely affected.

We may not be able to fulfill our obligations in relation to our contract liabilities, which could adversely affect our results of operations and financial position.

In the ordinary course of business, we receive advance payments from customers before product delivery, which are recognized as contract liabilities. In particular, we require prepayment for sales of Adsorbed Tetanus Vaccine to blood product manufacturing companies for their production of Tetanus Immunoglobulin. As of December 31, 2023, 2024 and 2025, our contract liabilities amounted to RMB3.6 million, RMB0.5 million and RMB1.0 million, respectively, mainly reflecting changes in customer orders and payment cycles. Our ability to fulfill these obligations depends on our production planning, raw material supply, manufacturing operations and product quality control. If we experience production disruptions, supply chain issues or fail to meet contractual requirements, we may be unable to deliver products on time or recognize the relevant contract liabilities as revenue. We may also need to refund advance payments or face breach of contract claims, which could harm our reputation, customer relationships, results of operations, cash flows and financial position.

If we fail to perform our obligations as stipulated in the contracts, we will be unable to recognize the corresponding contract liabilities as revenue. More significantly, we may be required to refund the advance payments to our customers and could face claims for breach of contract or legal proceedings, which could result in additional financial losses. Any failure to fulfill our contract liabilities could damage our business reputation, harm our relationships with customers, and have a material adverse effect on our results of operations, cash flows, and financial position.

RISKS RELATING TO THE DEVELOPMENT AND REGULATORY APPROVALS OF OUR VACCINE CANDIDATES

The development of new vaccine products is complex, uncertain, time-consuming and costly, and our R&D efforts may not succeed as planned.

Our future growth depends in part on our ability to identify, develop and commercialize new vaccine products and improve our technology platforms. This requires strong R&D capabilities, experienced personnel, continued investment, regulatory approvals, and timely completion of preclinical studies and clinical trials. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses were RMB114.7 million, RMB134.2 million and RMB132.9 million, respectively. However, these investments may not result in successful vaccine candidates, improved technologies, patent protection, regulatory approvals, product launches or market acceptance. Vaccine development involves lengthy and uncertain preclinical studies, clinical trials and regulatory review. Failure may occur at any stage, and early results may not predict later outcomes. We may face delays or failures due to negative or inconclusive trial results, additional trial requirements, slow or insufficient participant enrollment, participant dropouts, safety risks, limited clinical response, regulatory non-compliance, failure to demonstrate satisfactory safety or efficacy, higher-than-expected costs, inadequate materials, or lack of regulatory authorization or approval. We also set development goals from time to time, including clinical trial timelines, regulatory submissions and approvals, product launches and other milestones. As of the Latest Practicable Date, we had eight main pipeline candidates in clinical or preclinical development. These goals may not be achieved on schedule or at all due to development risks, funding constraints, competition, regulatory uncertainty, government policies, manufacturing readiness, commercialization arrangements or market conditions.

If our R&D programs are delayed or unsuccessful, or if we fail to meet expected milestones, our development costs may increase, competitors may bring similar or better products to market earlier, our R&D efforts may become obsolete, and our business, reputation, financial condition, results of operations and prospects could be materially and adversely affected.

We may be unable to obtain regulatory approval for our vaccine candidates under applicable regulatory requirements in the jurisdictions where we operate. The denial or delay of any such approval would delay the development and commercialization of our vaccine candidates and adversely impact our potential to generate revenue, our business and our results of operations.

To commercialize our vaccine candidates in China, we must provide the NMPA with preclinical and clinical data demonstrating their safety and efficacy for the intended indications. The approval process may take years and is subject to regulatory discretion and factors beyond our control. Our vaccine candidates may fail to receive NMPA approval for various reasons, including disagreement over trial design, evaluation standards or data interpretation; failure to demonstrate safety, efficacy or potency; failure to meet required statistical significance; insufficient clinical data to support an NDA or other submissions; deficiencies in manufacturing processes or facilities; or changes in approval policies or regulations that make our existing data insufficient.

The NMPA or other applicable regulatory authorities may require more information, including additional preclinical or clinical data, to support the approval application. This requirement may delay or prevent us from obtaining the regulatory approvals in time and subsequently impact on our commercialization plans. For example, we withdrew our NDA for our AC-Hib Conjugate Vaccine in 2024 to further adjust the patient cohort design of the previous Phase III clinical trial before resubmission. In more extreme cases, we may decide to cancel the development program. Even if approval is granted, it may cover fewer or narrower indications than requested, require costly post-marketing trials, or include unfavorable labeling, any of which could harm the commercial prospects of our vaccine candidates. Regulatory requirements and guidance may change during clinical development, requiring changes to trial protocols, increasing costs, delaying timelines, or reducing the likelihood of approval.

Results of earlier studies and clinical trials of our vaccine candidates may not be predictive of future clinical trial results and completion of clinical trials does not guarantee regulatory approval of the vaccine candidate.

Success in preclinical studies or early clinical trials does not ensure that later trials will produce similar results. Significant setbacks may arise even after favorable earlier results, including new preclinical findings, safety or efficacy concerns, or previously unreported Adverse Events. Our data analyses involve assumptions, estimates, calculations and conclusions, and we may not have received or fully evaluated all relevant data. Final results may differ from earlier conclusions or expectations once all data are available and reviewed. Regulatory agencies may also disagree with our assumptions, analyses or interpretation of results. Accordingly, our vaccine candidates may fail to show the desired safety, efficacy or pharmacological profile in later-stage trials despite positive earlier results. Even if we complete clinical trials, the results may not be sufficient to obtain regulatory approval, which remains subject to regulatory discretion.

Our vaccines may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

As with most biological products, our vaccines could cause side effects that can have varying severity. During the Track Record Period, there were no cases of unacceptable adverse side effects or serious Adverse Events identified in connection with the clinical trials or development of our vaccine candidates.

However, unacceptable side effects may arise during development, which could cause us, or require the NMPA, to suspend or terminate clinical trials or deny approval. Adverse reactions could also affect participant recruitment or retention, result in product liability claims, or be improperly recognized or managed by personnel administering the vaccine. Our vaccines may also be perceived

to cause severe side effects or Adverse Events following immunization if products from other manufacturers targeting the same diseases, using the same technology, culture cells or raw materials cause, or are perceived to cause, similar issues, or if regulators or international institutions such as the WHO determine that such products may cause such risks.

Clinical trials generally involve limited numbers of participants and limited exposure periods. As a result, adverse effects may be discovered only after a larger population is exposed following commercialization. Under PRC law, as a vaccine producer, we may be required to compensate vaccinees who suffer certain Adverse Events following immunization, including severe injury or death, even where no party is at fault and the damage is not necessarily caused by vaccine quality.

If undesirable side effects are identified after approval, we may face suspension of commercialization, product recall or withdrawal, withdrawal of approvals, additional label warnings, post-marketing study requirements, lawsuits, liability claims and reputational damage. Any of these events could prevent us from achieving or maintaining market acceptance, cause revenue loss, and materially and adversely affect our business, financial condition, results of operations and prospects.

Our pipeline of vaccine candidates is limited, and we may not be able to identify, develop or obtain regulatory approval for additional suitable candidates.

Our future growth depends on our ability to build and commercialize a robust pipeline of vaccine candidates. We currently have a limited number of candidates in development, which makes us dependent on a narrow portfolio. If any of our candidates fails to demonstrate satisfactory safety, efficacy or immunogenicity, or fails to obtain regulatory approval, our growth prospects may be materially affected.

We may not succeed in expanding our pipeline or identifying candidates that compare favorably with existing vaccines. Even if we identify promising candidates, they may later prove unsuitable for clinical development or commercialization due to safety concerns, low immunogenicity, lack of effectiveness, serious side effects, regulatory concerns, insufficient resources, competition from better alternatives, or lack of acceptance by patients or the medical community. In such cases, we may need to delay, suspend or abandon one or more development programs.

A limited pipeline may also place us at a competitive disadvantage against companies with broader and more diverse development portfolios, and may reduce our ability to attract strategic partners, collaborations or financing. If we are unable to expand and advance our pipeline successfully, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We engage CROs, which are not under our control, to conduct certain clinical trial-related activities.

We engage CROs from time to time to support our preclinical and clinical studies, which is common in the industry. For preclinical studies, CROs may provide safety and immunogenicity evaluation services under our study design and supervision. For clinical studies, CROs may provide services needed for clinical trials under our trial design and supervision. However, we do not control these CROs. If CROs fail to meet our standards, follow protocols, comply with regulatory requirements, protect our confidential information, transfer regulatory information to us on time, or complete their work within expected timelines, our studies or clinical trials may be delayed, extended, suspended or terminated. The quality or accuracy of the data they collect may also be compromised, and the NMPA or other regulators may reject such data or require additional trials. Although we rely on CROs, we remain responsible for ensuring that our studies comply with applicable protocols, laws and regulatory standards, including GCP requirements. If we or our CROs fail to comply with such requirements, regulatory authorities may find our clinical data unreliable, which could delay or prevent approval and commercialization of our vaccine candidates. Any of the above could materially and adversely affect our business, financial condition and results of operations.

Even if we receive regulatory approval for our products, we will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses.

If any of our pipeline products are approved by the NMPA or other regulators, we will continue to be subject to extensive regulatory requirements. These may cover manufacturing, labeling, packaging, storage, distribution, Adverse Event reporting, advertising, promotion, sampling, recordkeeping and post-marketing studies. We may also need to submit safety and other post-marketing reports, undergo random quality testing, and continue to comply with GMP, GCP, good storage practice and good vigilance practice requirements. For example, as of the Latest Practicable Date, we were conducting post-approval studies for our approved AC Conjugate Vaccine. These ongoing requirements, especially post-approval studies, may result in significant additional expenses and materially affect our financial condition and results of operations.

Regulatory approvals may also be subject to limits on approved uses or other conditions. If we fail to comply with applicable requirements, we may lose approvals that we have already obtained, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be successful in obtaining or maintaining necessary rights for our development pipeline through in-licenses and acquisitions.

Because our programs may involve vaccine candidates that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire and maintain licenses or other rights to use these proprietary rights. For example, our pipeline candidates including all of our superbugs vaccine candidates, are subject to various collaboration and license agreements that obligate us to make substantial milestone payments contingent on development and regulatory milestones, as well as post-launch sales royalties which, in some cases, include guaranteed minimum payments. Collaborative relationships in our industry can be complex, particularly with respect to intellectual property rights. These arrangements may give rise to disputes over ownership, use or development of technology. Such disputes could delay the research, development, manufacturing or commercialization of our vaccine candidates and may lead to costly litigation or arbitration. In addition, any breach of confidentiality obligations by our partners could result in disclosure of our proprietary information, harming our competitive position. We may also be unable to acquire or license third-party intellectual property on acceptable terms, or at all. Other companies with greater resources and development or commercialization capabilities may compete for the same rights, and some companies may be unwilling to license rights to us. If we cannot obtain or maintain the rights needed for a vaccine candidate, we may need to abandon its development, which could materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our ability to enroll and retain enough participants is important to completing clinical trials on time. We may face enrollment difficulties due to factors such as trial size, eligibility criteria, availability of qualified investigators, participant drop-outs, consent requirements, age of participants, public awareness of the relevant disease, infection rates, population at risk, and availability of approved vaccines that are equivalent or superior to our candidates. Our trials may also compete with other clinical trials in the same disease areas, which could reduce the number of available participants. Even if we ultimately enroll enough participants, delays in enrollment may increase costs, affect trial timing or results, and delay the development of our vaccine candidates.

We invest substantial resources in research and development in order to develop our vaccine candidates and enhance our technology platforms, which we may not be able to do successfully.

The vaccine industry continues to evolve, and we need to invest in new technologies and platforms to remain competitive. In 2023, 2024 and 2025, our R&D expenses were RMB114.7 million, RMB134.2 million and RMB132.9 million, respectively. We expect to continue investing significant human and capital resources in our vaccine candidates and technology platforms. However, we may not be able to successfully improve or adapt to new technologies, identify suitable vaccine candidates, develop and launch new or improved vaccines, obtain patent protection or regulatory approvals, or achieve market acceptance. If we fail to do so, our R&D efforts may become obsolete, demand for our products may decline, and our business, financial condition, results of operations and prospects may be adversely affected.

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

Due to limited financial and managerial resources, we focus our product pipeline on vaccine candidates that we identify for specific indications, and, as a result, we may forgo or delay our pursuit of opportunities with other vaccine candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. If we do not accurately evaluate the commercial potential or target market for a particular vaccine candidate, we may allocate internal resources to another vaccine candidate in which it would have been more advantageous to enter into a partnering arrangement.

We may not realize any or all benefits of collaboration, alliances or licensing arrangements, and disputes may arise between us and our current or future collaboration partners.

We have entered into, and may continue to enter into, collaborations, alliances, joint ventures or licensing arrangements to support the development and commercialization of our vaccine candidates. For example, we collaborate with our Key R&D Partner to jointly develop rFSAV and with our GAS Partner to co-develop a GAS Vaccine candidate. We have also entered into technology transfer agreements for rABV, rFPAV and rHP, and licensed a cell-based technology platform for our influenza vaccines. These arrangements may not deliver the expected benefits. Expected revenue or cost synergies may not be achieved, or may be offset by collaboration costs, increased expenses, operating losses or other business challenges.

Moreover, disputes may arise between us and our past, current or future collaboration partners. For example, we are involved in a dispute with an individual over technology transfer contracts dating back to 2011. The plaintiff is claiming approximately RMB20.9 million in unpaid royalties and damages, among other things. As of the Latest Practicable Date, the first court hearing for the claim had been held and no judgment had been rendered by the court. For further details, see "Business — Legal Proceedings and Compliance — Litigation in Relation to a Contract Dispute". Such disputes, or any failure by partners to perform their obligations, may delay or terminate development or commercialization of our product candidates, result in costly litigation or arbitration, divert management attention and resources, or harm our intellectual property rights. Any of these could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we cannot adequately protect our intellectual property, competitors may develop similar products or technologies.

Our success depends partly on our ability to protect our technologies, know-how and vaccine candidates. We use patents, trade secrets, encryption systems and confidentiality arrangements to protect our proprietary information. As of the Latest Practicable Date, we owned or co-owned 97

material patents in China, including 89 invention patents and eight utility models. See "Appendix I — B. Further Information about Our Business — 2. Intellectual Property Rights". However, patent protection is costly, time-consuming and uncertain. We may not be able to obtain or maintain all necessary patents in all markets where we need protection. Our pending or future patent applications may not become granted patents, and any patents granted may not be broad enough to prevent competitors from developing similar vaccines or technologies.

Patent rules also differ across jurisdictions. Certain inventions may not be patentable in some markets, and some jurisdictions may require patent owners to license their patents to third parties in limited circumstances, such as for public health purposes. If we are required to grant such a license, or if our patents are limited in scope or enforceability, our competitive position may be harmed. We may also fail to identify inventions in time to obtain patent protection. Although we use confidentiality arrangements with employees, CROs and other parties, they may disclose confidential or patentable information before we file patent applications. Third parties may also file patent applications before us, including in jurisdictions that follow a "first-to-file" system.

Even if our patents are granted, they may later be challenged, narrowed, invalidated or designed around by competitors. If our intellectual property protection is inadequate, third parties may develop and commercialize products or technologies similar or identical to ours, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Issued patents covering one or more of our products and vaccine candidates could be found invalid or unenforceable.

A granted patent does not guarantee that the patent will remain valid or enforceable. Our patents may be challenged before courts, patent offices or other authorities in China or other jurisdictions. Third parties may claim that our patents should not have been granted, that our patent claims are too broad, or that they have rights in the same inventions. Former employees, collaborators or other third parties may also claim ownership or other interests in our patents or intellectual property. If such challenges are successful, we may lose one or more patents, or our patent claims may be narrowed or held unenforceable. This could reduce our ability to prevent others from developing or commercializing similar vaccine products. We may also need to obtain licenses from third parties, which may not be available on reasonable terms or at all.

Even if we successfully defend our patent rights, such disputes may be costly, time-consuming and distracting to management and employees. Any loss or narrowing of our patent rights could materially and adversely affect our business, financial condition, results of operations and prospects.

Patent protection is available only for a limited period. For example, in China, an invention patent generally has a term of 20 years from the filing date. After our patents expire, we will no longer be able to rely on those patents to prevent third parties from using the relevant technologies.

Vaccine development, clinical trials and regulatory review may take many years. As a result, patents covering our vaccine candidates may expire before, or shortly after, the relevant products are commercialized. In such circumstances, our patents may not provide us with sufficient commercial protection. After our patent rights expire, competitors may develop and commercialize products or technologies that are similar or identical to ours. This could materially and adversely affect our competitive position, business, financial condition, results of operations and prospects.

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

We may need to take legal action to protect or enforce our intellectual property rights, including our patents, trade secrets and other proprietary information. For example, competitors or other third parties may infringe our patents or misuse our confidential information. Intellectual

property disputes can be costly and time-consuming. They may also divert the attention of our management, scientific and technical personnel from their normal responsibilities. We may not succeed in any proceedings we initiate, and any compensation or remedies awarded may not be commercially meaningful. Any action we bring against third parties may also lead to counterclaims against us. For example, a defendant may claim that our patents are invalid or unenforceable, or that we have infringed its intellectual property rights. Some of our current or potential competitors may have greater resources than we do to pursue or defend intellectual property disputes. In addition, we may not be able to detect infringement of our patents. Even if we detect infringement, we may decide not to take action immediately or at all. If we later seek to enforce our rights, the alleged infringer may raise defenses based on our delay or other grounds, which could make enforcement more difficult. Any adverse outcome in intellectual property proceedings could result in our patents being invalidated, held unenforceable or interpreted narrowly. Even if we prevail, such proceedings may result in substantial costs and may expose our confidential information. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

If we are sued for infringing, misappropriating or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming, which could prevent or delay us from developing or commercializing our vaccine candidates.

Our success depends partly on our ability to develop, manufacture and commercialize our vaccine candidates without violating third-party intellectual property rights. However, we may not be able to identify or avoid all third-party intellectual property rights that are relevant to our business. Third parties may claim that our vaccine candidates, technologies, manufacturing processes or other activities infringe their patents or other intellectual property rights. Defending such claims, even if they are without merit, may be costly and time-consuming and may distract our management. If we are found to have infringed third-party intellectual property rights, we may be required to stop or delay the development, manufacture or commercialization of one or more vaccine candidates. We may also need to pay damages, obtain licenses, pay royalties or change our products or technologies. Such licenses may not be available on acceptable terms, or at all. Even if we successfully defend such claims, the proceedings may still cause us to incur significant costs, expose our confidential information or harm our reputation. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

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

As of the Latest Practicable Date, we had registered 36 trademarks in China. See "Appendix I — B. Further Information about Our Business — 2. Intellectual Property Rights". Our trademarks and trade names help customers, business partners and the market recognize us and our products. We may not be able to obtain or maintain all trademarks that are important to our business. Our trademark applications may be rejected, and our registered trademarks may be challenged or cancelled by third parties or government authorities. Competitors or other third parties may use names, trademarks or packaging designs similar to ours. This could confuse customers, weaken our brand recognition and make it harder for us to distinguish our products from competing products. We may also face claims that our trademarks or trade names infringe others' rights. If we cannot protect our trademarks and trade names, we may need to change brand names or spend significant resources enforcing our rights. This could materially and adversely affect our competitive position, business, financial condition, results of operations and prospects.

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

In addition to patents and patent applications, we rely on trade secrets and confidential information to protect our vaccine products, vaccine candidates and technologies. These include unpatented know-how, technical information and other proprietary information. We use confidentiality agreements or clauses to protect such information. However, these measures may not

be effective. It may be difficult for us to monitor whether our trade secrets or confidential information have been improperly used or disclosed. Our employees, consultants, collaborators, suppliers or other business partners may disclose or use our confidential information without authorization. If this happens, we may not be able to obtain adequate remedies. Competitors or other third parties may then use such information to compete with us.

We also cannot assure you that every party who has had access to our trade secrets or proprietary technologies is bound by confidentiality obligations. Even where such obligations exist, enforcing them may be difficult, costly and time-consuming. If our trade secrets are lawfully obtained or independently developed by third parties, we may not be able to stop them from using the same or similar information. This could materially and adversely affect our business, financial condition, results of operations and prospects.

We may face claims that our employees used or disclosed confidential information of their former employers.

Some of our employees, including senior management, previously worked for other pharmaceutical companies, including our competitors or potential competitors. They may have confidentiality, non-compete or similar obligations to their former employers. We may therefore face claims that we or our employees have used or disclosed trade secrets, confidential information or other intellectual property of former employers. Defending such claims may be costly and time-consuming, and may distract our management and employees. If we do not successfully defend such claims, we may be required to pay damages, stop using certain information or technologies, or obtain licenses from third parties. Such licenses may not be available on commercially reasonable terms, or at all. We may also lose valuable intellectual property rights or be prevented from developing or commercializing certain vaccine candidates.

Such claims may also cause us to lose key employees or make it harder for us to hire or retain employees. Any loss of key personnel, or any delay in our development or commercialization activities, could materially and adversely affect our business, financial condition, results of operations and prospects.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance with those requirements.

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

Changes in intellectual property laws and the absence of data exclusivity in China may weaken protection for our products and expose us to earlier competition.

Our success depends on our ability to obtain, maintain and enforce intellectual property rights, especially patents. However, patent protection in the pharmaceutical and biopharmaceutical industry is complex, costly and uncertain. Changes in patent laws or their interpretation may increase costs, narrow the scope of our patent rights, reduce the value of our intellectual property, or limit our ability to protect our inventions. China currently does not have an effective data

exclusivity regime for NMPA-approved pharmaceutical products. As a result, lower-cost competing products may enter the market earlier than in jurisdictions where data exclusivity is available. If our intellectual property protection is weakened, or if competing products enter the market earlier than expected, our competitive position, business, financial condition, results of operations and prospects could be materially and adversely affected.

Our owned patents and other intellectual property may be subject to further priority disputes or to inventorship disputes and similar proceedings, and we or our collaboration partners may be unsuccessful in any of these proceedings, therefore requiring us to obtain licenses from third parties that may not be available on commercially reasonable terms or at all, or to cease the development, manufacture, and commercialization of one or more of the product candidates we may develop.

We or our collaboration partners may be subject to claims that former employees, collaboration partners or other third parties have an interest in our owned patents or other intellectual property. If we or our collaboration partners are unsuccessful in any interference proceedings or other priority or validity disputes to which we or they are subject, we may lose valuable intellectual property rights, such as loss of one or more patents or exclusive ownership, or our patent claims' being narrowed, invalidated, or held unenforceable. As a result, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes, in order to continue the development, manufacture and commercialization of one or more of our product candidates. Such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

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

Depending on decisions by the National People's Congress of the PRC and the CNIPA, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. There could be similar changes in the laws of other jurisdictions that may impact the value of our patent rights or our other intellectual property rights. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any. As the laws and regulations governing patents continue to evolve in China and other jurisdictions, we cannot guarantee that any other changes would not have a negative impact on our intellectual property protection.

We may not be able to seek to adequately protect our intellectual property rights in all jurisdictions throughout the world, and we may not be able to adequately enforce our intellectual property rights even in the jurisdiction where we seek protection.

Filing, prosecuting, and defending patents on product candidates in all countries and regions throughout the world would be prohibitively expensive. Moreover, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and sell or import products made using our inventions in and into our markets of interest. These products may compete with our products, and our existing patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

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

Intellectual property rights have limits and may not fully protect our business or competitive position. Third parties may independently develop similar or competing technologies without infringing our rights. We may also not be the first to invent or file patent applications for certain technologies, and our pending patent applications may not become granted patents. Even if patents are granted, they may not provide meaningful protection. Our issued patents may be challenged, invalidated or held unenforceable. They may also have limited remaining commercial value by the time our vaccines are approved or launched.

We may not obtain adequate intellectual property protection in all jurisdictions where we operate or plan to operate. Competitors may conduct research and development in countries where we do not have patent protection, and use the results to develop competing products in our markets. In addition, third-party patents may restrict our ability to develop, manufacture or commercialize our vaccine candidates. If our intellectual property rights do not provide sufficient protection, or if third-party rights restrict our activities, our business, financial condition, results of operations and prospects could be materially and adversely affected.

RISKS RELATING TO THE MANUFACTURING AND SUPPLY OF OUR VACCINE PRODUCTS

The manufacturing of vaccines is a highly exacting and complex process, and if we encounter problems in manufacturing our products, our business could suffer.

The manufacturing of vaccines is complex and requires strict control. This is because vaccines involve biological materials, which may be variable in production yield and vulnerable to contamination. Vaccine manufacturing is also heavily regulated by the NMPA and other regulatory authorities in China. Manufacturing problems may arise for many reasons, including equipment failure, failure to follow required procedures, raw material issues, delays in constructing or validating facilities, failure to comply with GMP or other regulatory requirements, changes in products being manufactured, capacity constraints, natural disasters or other events beyond our control. If a problem occurs during production, the affected batch may need to be discarded. We may also experience product shortages, incur additional costs, lose revenue, damage customer relationships and spend time and resources investigating the cause. If the problem is discovered only after the product has been released, we may face product recalls, product liability claims and regulatory actions. We must also continue to improve and optimize our manufacturing processes. If we fail to do so in a timely manner, we may not be able to meet clinical and market demand for vaccines with better safety, immunogenicity and efficacy, or for larger and faster supply. This could reduce our competitiveness, affect our sales and future regulatory submissions, and materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our vaccine products and manufacturing processes must comply with applicable laws, regulations and GMP requirements. These requirements cover production procedures, record keeping, operations and quality management systems. Although we have quality control systems for our production and sales processes, errors, defects or failures may still occur. We are also validating newly constructed production lines to prepare for future market demand. We may not be able to maintain consistent quality control when these new lines begin operation. If we acquire manufacturing facilities from other companies in the future, we may not be able to ensure immediately that their facilities and processes meet our quality standards. Any failure in quality control or quality assurance could result in defective vaccines being released for sale. This may lead to injury or death of vaccinees, product recalls or withdrawals, production suspension, license revocation, regulatory fines, liability claims and reputational damage. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

Errors or defects in our manufacturing could harm our reputation or expose us to product liability claims.

We face an inherent risk of product liability caused by our vaccines. Any such product liability claims may include allegations of defects in manufacturing, defects in design, insufficient or improper labeling, inadequate or misleading disclosures of side effects or dangers inherent in the product, negligence, strict liability and a breach of warranties. During the Track Record Period, there were no material errors, defects, or product quality incidents identified in our manufacturing processes. However, we cannot assure you that we will not face product liability claims in the future.

If we cannot successfully defend such claims, we may need to pay substantial compensation or face restrictions on commercializing our vaccine candidates. Even if we successfully defend the claims, we may incur significant costs and management attention may be diverted. Product liability claims may also cause withdrawal of clinical trial participants, lower demand for our products or vaccine candidates, reputational damage, product recalls or withdrawals, restrictions on labeling, marketing or promotion, loss of revenue, inability to commercialize vaccine candidates and a decline in our H Share price. After our vaccine candidates are approved, we are required to maintain product liability insurance under applicable laws and regulations. However, such insurance may not be available in sufficient amounts or at acceptable cost. It may also not cover all claims or the full amount of any judgment or settlement. We may need to pay uncovered amounts ourselves, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Any disruption of our manufacturing facilities or any failure to manage the manufacturing capacity properly could have a material and adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, all of our commercialized vaccine products were manufactured in-house. Our manufacturing facilities are subject to regulatory inspections during operation. If we fail to comply with applicable regulatory requirements, operations at our manufacturing facilities may be suspended. We may also face sanctions, including refusal to review pending applications, withdrawal or non-renewal of approvals, licenses or permits, product recalls, seizure or confiscation, production suspension, monetary penalties or criminal prosecution. Our manufacturing facilities may also be disrupted by natural disasters or other unexpected events, such as power or water shortages, storms, fires, earthquakes, terrorist attacks, wars or changes in government zoning plans. Any such event could disrupt our sales and adversely affect our business and financial results. We may also fail to manage production capacity properly. Proper capacity management is important to maintaining stable product supply and revenue growth. We need to manage production suspensions caused by GMP certification or production permit renewals, and maintain sufficient backup capacity for planned or unexpected disruptions. Any production suspension or delay could reduce utilization rates, sales volume and revenue, and materially and adversely affect our business, financial condition, results of operations and prospects.

The expansion of our manufacturing facilities may be subject to delays, disruptions, cost overruns or may not produce expected benefits.

To prepare for future market demand, we have newly constructed one bulk production line and two filling lines. We may also construct additional production facilities in the future depending on market demand. The construction and operation of vaccine manufacturing facilities in China are subject to various government approvals, permits, inspections and acceptances. If we fail to obtain such approvals or comply with applicable requirements, our expansion plans may be delayed, suspended or terminated, and we may be subject to fines or other penalties. The expansion of our manufacturing facilities also requires significant capital investment. We may experience delays, disruptions, cost overruns, validation issues or other operational difficulties. We may also face

challenges in recruiting and training staff, establishing supply chains and maintaining quality control for new facilities. If market demand is lower than expected, our expanded capacity may not generate the expected economic benefits, and excess capacity may increase our operating costs and reduce our profitability. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

If we are not able to source sufficient quantity of raw materials of required quality at commercially acceptable cost, our business could be harmed.

We need sufficient high-quality raw materials at acceptable prices and in a timely manner to manufacture our vaccine products. These raw materials mainly include aluminum-based adjuvant, which we can purchase from numerous suppliers in China. If our suppliers cannot meet our requirements, we may need time and costs to find alternative suppliers. New supplier onboarding may also take time, even for widely available materials. Our suppliers may also fail to maintain required licenses or comply with applicable laws, which could disrupt supply to us. Raw material supply and prices may be affected by external factors, such as government policies and natural disasters. If raw material costs increase, we may not be able to pass the increase to our customers. If we fail to detect quality issues in raw materials, our products may be affected, and we may face product recalls, liability claims, production suspension or additional costs. Any of these events could materially and adversely affect our business, financial condition and results of operations.

Failure to engage qualified cold-chain logistics providers may damage our vaccine products, reputation and business.

Vaccines are sensitive biological products and must be stored and transported under strict cold-chain conditions. Even small temperature changes may affect their potency. We engage third-party cold-chain logistics providers to transport our products in compliance with applicable requirements, including temperature monitoring and record keeping. Although we require these providers to meet cold-chain requirements and periodically audit them, we cannot assure you that they will always comply. If our vaccines are exposed to improper temperatures or storage conditions, their potency may be reduced or lost, and the affected batch may need to be destroyed. This could result in product shortages, reputational damage, regulatory actions or liability claims, and could materially and adversely affect our business, financial condition, results of operations and prospects.

Delays in completing and receiving regulatory approvals for our manufacturing facilities could delay our development plans or commercialization efforts.

Our existing and planned manufacturing facilities and manufacturing processes are subject to ongoing inspections by the NMPA or other regulatory authorities for compliance with GMP and other applicable requirements. GMP compliance is generally required for marketing approval. For our manufacturing facilities and premises, we must also obtain various permits, certificates and approvals at different stages of development. These may include planning permits, construction permits, land use rights certificates, environmental approvals, fire safety approvals, construction completion approvals and ownership certificates. If we fail to obtain required approvals or comply with applicable requirements, our development or commercialization plans may be delayed. We may also face sanctions, including fines, injunctions, civil penalties, suspension of clinical trials, refusal or delay of marketing approval, supply disruptions, suspension or withdrawal of approvals, license revocation, product seizure or recall, operating restrictions and criminal prosecution. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

Vaccine products are susceptible to contamination.

Vaccine manufacturing involves biological materials and cultivation steps. These processes may introduce or increase contamination risks. Cross-contamination may also occur where equipment or facilities are shared for manufacturing, testing, research or other activities. Contamination may also occur during transportation, storage or delivery if our products are not properly handled. If our vaccine products are contaminated, we may need to recall, confiscate or destroy affected products. We may also face liability claims, regulatory penalties or criminal liability if vaccinees are harmed. Contamination could also damage confidence in the quality of our products and the reliability of our manufacturing procedures. This could harm our reputation, sales and profitability, and materially and adversely affect our business, financial condition, results of operations and prospects.

We handle potentially harmful biological and hazardous materials, which may cause environmental contamination or injury.

Our manufacturing and R&D activities involve the controlled use, storage, handling and disposal of potentially harmful biological and hazardous materials. These include viruses and bacteria used in vaccine production and testing. Although we take safety measures, the risk of accidental leakage, contamination or injury cannot be completely eliminated. If such materials are released or mishandled, they may harm the environment, public health, our employees or others. If contamination or injury occurs, we may be liable for damages, which may exceed our insurance coverage. Government authorities may also investigate us and impose fines, sanctions, suspension of operations, revocation of permits, closure of facilities or other penalties. Our reputation may also be harmed. In addition, laws and regulations on hazardous materials and environmental protection may become stricter. Compliance with additional requirements may increase our costs and adversely affect our financial condition.

RISKS RELATING TO GOVERNMENT REGULATIONS

The research, development and commercialization of vaccines are heavily regulated, and any non-compliance could harm our business.

The vaccine industry in China and overseas is highly regulated. Regulations cover all key aspects of vaccine operations, including clinical trials, product registration, manufacturing, transportation, storage, quality control, sales approval and lot release. Compliance with these requirements may be difficult and costly. The regulatory regime may also change or become stricter over time. If regulatory requirements become more stringent, our compliance costs may increase, and any failure to comply may result in more serious penalties. If we fail, or are perceived to fail, to comply with applicable requirements during R&D, manufacturing, transportation, storage or after product approval, we may lose access to relevant markets or face sanctions. These may include monetary penalties, product recalls or seizure, injunctions, production suspension, refusal to review approval applications, withdrawal or non-renewal of approvals, licenses or permits, and criminal prosecution. Any such event could materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

We are subject to registration, review and other requirements of the PRC and the overseas regulatory authorities for cross-border sales or licensing of technology.

China regulates the import and export of technology, including the transfer or licensing of patents and know-how, and the provision of technology-related services. Depending on the type of technology, such activities may require approval from, or registration with, relevant PRC authorities. We may in the future transfer or license our patents or technologies to overseas partners, acquire or license technologies from overseas partners, or engage overseas CROs for technical support. These activities may be regarded as technology import or export and may require regulatory approval or registration. We may also be subject to regulatory requirements relating to

human genetic resources and data. For example, in conducting clinical trials, we may need to obtain approvals or complete filings with the relevant PRC authorities for human genetic resources and data safety review. Similar requirements may also apply in overseas jurisdictions. There is no assurance that we can obtain required approvals or complete required registrations or filings in a timely manner, or at all. Any delay or failure could affect our collaborations, clinical trials, technology licensing, development plans and commercialization efforts, and materially and adversely affect our business, financial condition, results of operations and prospects.

Restrictions on cross-border data transfers and use of human genetic resources may affect our clinical trials, collaborations and business operations.

We are subject to PRC laws and regulations on data security, cross-border data transfers, scientific data and human genetic resources. These rules may require us to obtain approvals, complete filings or pass security reviews before transferring certain data, scientific information or human genetic resources-related information outside China. If we fail to comply with these requirements, we may be restricted from transferring relevant data overseas. This could affect our ability to conduct international out-licensing transactions, collaborate with overseas partners, obtain foreign regulatory approvals or progress our clinical trials in a timely manner. Our clinical trials and research activities may also involve the collection, storage and use of human genetic resources in China. These activities are subject to approval, filing and other regulatory requirements. If we cannot obtain required approvals or complete required filings in time, our clinical trials and R&D activities may be delayed. The regulatory requirements in this area are complex and may continue to change. Any failure to comply may result in fines, suspension of relevant activities or other administrative penalties, and could materially and adversely affect our business, financial condition, results of operations and prospects.

We may be exposed to risks related to our management of the medical data of participants enrolled in our clinical trials.

Our clinical trials involve the collection and use of medical data from participants. We must comply with applicable laws and regulations on privacy, data security and personal information protection. Changes in these laws may increase our compliance costs or require us to change our data processing practices. Our clinical trials may also involve CROs and other third parties. We cannot assure you that they will always comply with applicable data protection requirements or our internal policies. Any leakage, unauthorized access or misuse of participant medical data by them may still be viewed as our responsibility. During the Track Record Period, there were no incidents of data leakage, unauthorized access, or misuse of patient medical data in connection with our clinical trials; however, we cannot assure you that such events will not occur in the future or that our existing data protection measures will always be sufficient to prevent any potential breach or misuse. Any actual or perceived failure to protect medical data or comply with privacy and data protection laws may result in regulatory investigations, fines, penalties, claims, negative publicity and reputational damage. This could materially and adversely affect our business, financial condition and results of operations.

GENERAL RISKS RELATING TO OUR BUSINESS

If we are unable to compete effectively in the highly competitive vaccine industry, or fail to develop competitive vaccine candidates, our business, financial condition, results of operations and prospects could be materially and adversely affected.

The vaccine industry is highly competitive, and competition may increase. As of the Latest Practicable Date, there were seven marketed vaccines in China for our key commercialized product, Adsorbed Tetanus Vaccine. For our key pipeline product, rFSAV, there were approximately three vaccine candidates under clinical development globally. Our competitors may have longer operating histories, larger scale, greater financial and R&D resources, stronger manufacturing capacity, lower costs, broader marketing capabilities or more advanced technologies. New domestic or overseas competitors may also enter the markets where we operate. We may fail to maintain or increase our market share if competing products are more widely accepted, more effective, cheaper, more

innovative, better recognized, less affected by negative publicity, or supported by stronger manufacturing, marketing or regulatory capabilities. The vaccine market is also changing rapidly, including developments in combined vaccines, mRNA vaccines and other innovative vaccines. If we fail to respond to market trends, technological changes or regulatory developments, or fail to identify, develop and commercialize competitive vaccine candidates in a timely and cost-effective manner, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our future plans and the successful use of the net [REDACTED] from the [REDACTED] are subject to significant risks and uncertainties.

Our planned expansion, including the advancement of our product pipeline and the upgrade of our production facilities, will require substantial capital expenditure and will significantly increase our operating expenses. We have made estimations on the costs of our expansion plans, but the actual costs may exceed our budget due to unforeseen factors, such as changes in the scope and timeline of our clinical trials, unexpected delays, and increased costs of materials and labor. There is no assurance that the net [**REDACTED**] from this [**REDACTED**] will be sufficient to cover all the costs of our expansion plans. If we experience a funding shortfall, we may need to seek additional capital through debt or equity financing. Such financing may not be available on terms acceptable to us, or at all. Any additional equity financing may result in dilution to our shareholders, while debt financing would increase our gearing and debt service obligations. Furthermore, the implementation of our expansion plans is expected to result in a significant increase in our R&D expenses and capital expenditures, which will likely lead to net losses and negative operating cash flow in the short to medium term. Our ability to sustain our operations during this period will be highly dependent on our existing capital and the net [**REDACTED**] from this [**REDACTED**]. If we are unable to successfully execute our future plans, or if our product candidates fail to achieve regulatory approval or commercial success, we may not be able to generate the expected returns on our investments, and our business, financial condition, and future prospects could be materially and adversely affected.

We depend on the continuing efforts of our senior management, as well as key scientific employees.

Our future success depends on the continued service of our senior management and key scientific employees. In particular, the industry experience, management expertise and professional knowledge of our senior management are important to our business. We are led by Mr. Fan Shaowen, our Chairman, executive Director and general manager, and Dr. Fan Fan, our vice Chairlady and executive Director, among others. See "Directors and Senior Management" for details. We also rely on our key scientific employees for R&D, production, development of new products, technologies and applications, improvement of existing products, and quality and safety control. If we lose any senior management member or key scientific employee, we may not be able to find suitable replacements in time, or at all. We may also incur additional costs to recruit and train new personnel. Competition for qualified personnel in the biotechnology industry is intense, and we may need to offer higher compensation and benefits to attract and retain them. Any failure to retain or attract senior management or key scientific employees could disrupt our business, increase our operating expenses, and materially and adversely affect our business, financial condition, results of operations and prospects.

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

We, our Shareholders, Directors, officers, employees, suppliers, partners or other third parties we cooperate with or rely on may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees, suppliers, partners or other third parties we work with or rely on were non-compliant with any laws or regulations, we may also suffer negative publicity or harm to our reputation. As a result, we may be required to spend significant time and incur substantial costs to respond and protect our

reputation, and we cannot assure you that we will be able to do so within a reasonable period of time, or at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely affected.

We may be subject to tax disputes, additional tax payments, penalties or other administrative actions in the future, and any disagreement with tax authorities could materially and adversely affect our business, financial condition and results of operations.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations. The PRC tax system is complex and evolving, and the interpretation and application of tax laws, regulations and government circulars may vary among different localities and tax authorities.

We are subject to periodic examinations on the fulfillment of our tax obligations under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, there is no assurance that the competent tax authorities will agree with our interpretation or treatment of certain tax matters. For example, we were previously subject to a tax inspection for the period from January 1, 2021 to December 31, 2023. Following the issuance of a tax treatment decision by the competent PRC tax authority on June 18, 2026, we were required to pay tax shortfall and late payment surcharge totaling RMB87.4 million. As of the Latest Practicable Date, we had fully paid the relevant amount. For further details, see "Business — Tax Inspections." However, we cannot assure you that the competent PRC tax authorities will not adopt interpretations or positions different from ours in respect of our tax treatment, deductions or other tax matters in the future, or that we will not be subject to additional tax payments, late payment surcharges, penalties, adjustments or other administrative actions in future tax examinations.

In particular, following the [**REDACTED**], as a publicly [**REDACTED**] company, we may be subject to heightened scrutiny regarding our tax compliance. Competent tax authorities may adopt different interpretations of the relevant rules and regulations compared to our understanding. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition or results of operations, as well as our reputation.

If a dispute arises between us and the tax authorities, we may be required to pay disputed amounts, including outstanding taxes, late payment fees and substantial penalties, prior to or during the process of administrative review or litigation. The resolution of such disputes may be time-consuming, costly and divert the attention of our management. Furthermore, any adverse outcome from such disputes or any adjustment in PRC tax laws and regulations could result in additional tax liabilities, which may have a material adverse effect on our business, financial condition and results of operations.

We have limited insurance coverage, which could expose us to significant costs and business disruption.

Insurance companies in China may not offer business insurance products that suit our needs. As a result, we may not be able to acquire insurance for all types of risks we face in our operations. We maintain insurance policies that are required under PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. In line with industry practice in China, we maintain different types of insurance policies, such as product liability insurance policies, clinical trials liability insurance and employee commercial insurance. See "Business — Insurance". The insurances we maintain are subject to payment limits and coverage exceptions. Consequently, any occurrence of an uninsured loss or losses in excess of our insurance coverage, litigation expenses in relation to potential product liability claims or business disruption, may result in substantial costs to us and the diversion of our resources, which could have a material adverse effect on our financial condition and results of operations.

Risks related to geopolitical conditions, international trade regulations, and strategic collaborations

We collaborate with universities, research institutes and commercial partners in China, including certain state-affiliated entities. Some of these partners may be viewed by foreign regulators as connected to national defense, military-civil fusion or other sensitive areas. As geopolitical tensions and export control regimes continue to evolve, foreign regulators may scrutinize our collaborations more closely. If they consider our partners, technologies or activities to be sensitive or restricted, we may face sanctions, export controls, trade restrictions or other regulatory measures. Our R&D and manufacturing also depend on specialized equipment, software and raw materials, some of which may be sourced from countries with strict export control rules, including the United States. If restrictions are imposed on our partners or on activities involving us, our access to these items may be limited or disrupted. Biotechnology and vaccine-related technologies may also be viewed as sensitive or dual-use technologies. Increased national security scrutiny could make our international collaborations, licensing activities, financing or global commercialization more difficult. Any of these events could disrupt our R&D, manufacturing and business plans, and materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks relating to some of the properties we use.

We must obtain required permits, certificates and approvals for the properties we own or use in China. Our rights to certain properties may be limited or challenged if we fail to complete required procedures or if our use of the properties is inconsistent with the approved land use.

As of the Latest Practicable Date, we occupied certain buildings with an aggregate gross floor area of approximately 595 sq.m. for which we had not obtained the relevant building ownership certificates (the "Defective Properties"). The Defective Properties are located on a parcel of land for which we possess lawful land use rights and comprise two gatehouses with a total gross floor area of approximately 180 sq.m. and one functional building used for storage with gross floor area of approximately 415 sq.m. According to our PRC Legal Advisors, such non-compliance may subject us to administrative penalties or other enforcement actions by the relevant government authorities, including orders for rectification or potential demolition of the Defective Properties pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》). In particular, according to Urban and Rural Planning Law of the People's Republic of China, if a construction project is carried out without obtaining a construction project planning permit or in violation of the provisions of the planning permit, the competent department of urban and rural planning of the local people's government at or above the county level shall order the cessation of construction. If corrective measures can still be taken to eliminate the impact on the implementation of the planning, a deadline for correction shall be set, and a fine of not less than 5% but not more than 10% of the construction project cost shall be imposed. If corrective measures cannot be taken to eliminate the impact, a deadline for demolition shall be set. If demolition is not possible, the physical objects or illegal income shall be confiscated, and a fine of not more than 10% of the construction project cost may be imposed concurrently. According to the aforementioned regulations, if fined by the competent authority, the maximum penalty shall be calculated at 10% of the construction project cost. The maximum penalty amount faced by us is approximately RMB0.2 million. If any of the Defective Properties were required to be demolished, rectified, or otherwise rendered unavailable for our use, we may need to relocate relevant facilities or suspend certain operations, which may result in additional costs, business interruption, or delays in our R&D or production activities.

In addition, one lease agreement for a property used by Chongqing Yuanlun for R&D, production and office purposes had not completed lease registration and filing. According to our PRC Legal Advisors, we may be ordered to rectify the non-compliance, and failure to do so may result in a fine of RMB1,000 to RMB10,000. We cannot assure you that the relevant authorities will not require us to take remedial actions or impose penalties. Any relocation, penalty or business disruption could adversely affect our business operations, financial condition and results of operations.

We may be subject to fines and penalties as a result of our historical non-compliance with certain PRC laws and regulations regarding social insurance and housing provident fund contributions.

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make social insurance and housing provident fund contributions for their employees, and entities failing to make such contributions may be ordered to settle the outstanding contributions within a prescribed time limit and subject to late payments or fines. During the Track Record Period and up to the Latest Practicable Date, we did not pay social insurance and housing provident fund in full for certain full-time employees based on their actual wages in accordance with the applicable PRC laws and regulations.

According to the provisions of the Social Insurance Law of the PRC, if an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency shall order the employer to make payment or make up the arrears within a specified time limit and shall impose a late payment penalty of 0.05% per day from the date of default. If the employer still fails to make the payment after the deadline, the relevant administrative department may impose a fine of not less than one time and not more than three times the amount of the arrears. Accordingly, if any shortfall in our social insurance contributions is discovered by the competent authority during an inspection or is reported by employees, the social insurance collection agency will order us to make the payment or make up the deficiency within a specified time limit. Based on calculations, the total amount of shortfall during the Track Record Period was approximately RMB26.8 million. Pursuant to the Social Insurance Law of the PRC, if we cooperate with the competent authorities to make the outstanding payment, no fine will be imposed. However, if we refuse to cooperate and fail to make the payment within the prescribed time limit, in addition to making up the social insurance contributions, we will be subject to a fine imposed by the competent authority.

According to the Regulations on the Administration of Housing Provident Fund, if an entity fails to pay or underpays the housing provident fund within the prescribed time limit, the Housing Provident Fund Management Center shall order it to make the payment within a specified period. If the entity still fails to make the payment after the deadline, the center may apply to the people's court for compulsory enforcement. Therefore, under these regulations, if our housing provident fund contributions are insufficient, the housing provident fund collection agency will order us to make the payment within a specified time limit. Based on calculations, the total amount of shortfall during the Track Record Period was RMB3.8 million, and no fine will be imposed. If we refuse to cooperate and fail to complete the payment within the specified period, the housing provident fund collection agency has the right to apply to the people's court for compulsory enforcement. In such a case, the people's court may seal, seize, or freeze our assets equivalent to the amount of the supplementary payment. During the Track Record Period, there were no instances where we and our employees reached any agreement, or where employees promised us not to pay social insurance premiums. There were also no disputes between us and our employees regarding social insurance contributions during the Track Record Period. We believe that the relevant provisions of the Supreme People's Court's Explanations on Several Issues Concerning the Application of Law in Labor Dispute Cases (II) (effective September 2025) will not have expected to have any material impact on our normal operations.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may have a material adverse effect on our business operations, financial condition and results of operations.

Natural disasters, power shortages, epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions we conduct our business. These regions may be under the threat of typhoon, tornado, snowstorm, earthquake, flood, drought, power shortages or failures, or are susceptible to epidemics, such as COVID-19, potential wars or terrorist attacks, riots, disturbances or strikes. Serious natural disasters may result in a tremendous loss of lives and injury and destruction of assets and disrupt our business and operations. Severe infectious disease outbreaks could result in a widespread health crisis that could materially and adversely affect business activities in the affected regions, which

could therefore materially affect our operations. Acts of war or terrorism, riots or disturbances may also injure or loss of lives to our employees and disrupt our business network and operations. Any of these factors and other factors beyond our control could have an adverse effect on the overall business environment, and materially and adversely impact our business, financial condition and results of operations.

Negative publicity may impact the public confidence in vaccine products in general, lead to lower demand of vaccination, and result in more stringent regulations.

Past incidents in China have raised public concerns about vaccine safety. For example, in 2016, improperly stored vaccines were illegally sold by distributors. In 2018, Changchun Changsheng, a company unrelated to us, was found to have violated GMP standards, including falsifying production data for human rabies vaccines. These incidents led to greater public concern and tighter regulatory scrutiny of vaccine manufacturers. Similar incidents in the future may reduce public confidence in vaccines, lower demand for vaccination, and lead to more investigations, stricter regulations and higher compliance costs. If negative publicity relates to our own products or business, the impact may be more serious. It could damage our reputation, reduce demand for our products, increase regulatory scrutiny and adversely affect our business, financial condition, results of operations, prospects and the market price of our H Shares.

RISKS RELATING TO DOING BUSINESS IN THE REGIONS WHERE WE OPERATE

Changes in economic, political, trade and regulatory conditions in the jurisdictions where we operate could adversely affect our business.

A substantial portion of our assets and operations are located in China. As a result, our business may be affected by economic, regulatory, political and social conditions in China, as well as trade relations between China and other countries. Changes in macroeconomic conditions, government policies, trade rules, employment levels, consumer demand or market conditions may affect our operations, financial performance and business prospects. We are also subject to evolving laws and regulations governing the pharmaceutical industry in China and other markets where we operate. New laws, amendments to existing laws, changes in interpretation or enforcement, or stricter regulatory requirements may create new compliance challenges, increase our costs, disrupt our operations or expose us to legal and business risks. Any litigation, governmental investigation or enforcement action may be costly, time-consuming, divert management attention, cause negative publicity and damage our reputation. Political and trade developments may also affect us. For example, changes to U.S. rules restricting certain outbound investments into China could limit our ability to raise capital from U.S. investors or affect U.S. investors' ability to trade our securities. Trade tensions between China and the United States, including tariffs and countermeasures, may also affect global trade, economic growth and investor sentiment.

Any of these developments could materially and adversely affect our business, financial condition, results of operations, prospects and the value of our H Shares.

Laws and regulations over foreign currency conversion and on the remittance of funds into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends.

The conversion and remittance of Renminbi are subject to PRC foreign exchange laws and regulations. Although current account transactions, including dividend payments, generally do not require prior SAFE approval, we must complete required procedures and process such transactions through designated foreign exchange banks. We cannot assure you that current foreign exchange policies will remain unchanged, or that we will always have sufficient foreign currency to meet our needs. Any restriction or shortage of foreign exchange may affect our ability to pay dividends, fund capital expenditure, meet other foreign currency obligations, and may adversely affect our business, financial condition and prospects.

Dividends received by foreign holders of our H Shares and gains derived from the disposition of our H Shares by such holders may be subject to PRC taxation.

Foreign holders of our H Shares may be subject to PRC tax on dividends they receive from us and on gains they make from selling or otherwise disposing of our H Shares. For non-PRC resident enterprise holders, dividends from PRC companies and gains from disposing of equity interests in PRC companies are generally subject to PRC enterprise income tax at a rate of 10%, unless a lower rate or exemption applies under an applicable tax treaty or arrangement. For non-PRC resident individual holders, PRC individual income tax may apply to PRC-sourced income and gains. Dividends paid to such holders are generally subject to withholding tax, and we may withhold tax at a rate of 10%, although a different rate may apply depending on the relevant tax treaty and the shareholder's circumstances. We also intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares, including HKSCC Nominees. Shareholders who are entitled to a lower treaty rate may need to apply to the PRC tax authorities for a refund, which will be subject to their review and approval. The PRC tax treatment of gains made by non-PRC resident individuals from selling overseas-listed shares is not entirely clear. If PRC tax is imposed on gains from transfers of our H Shares, or on dividends paid to foreign holders, the value of an investment in our H Shares may be adversely affected. Foreign holders may also not be able to obtain the full benefit of any applicable tax treaty or arrangement.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

Our Company is incorporated in the PRC, and a substantial part of our assets, all of our subsidiaries, and all of our Directors and senior management are located in China. As a result, investors may face difficulties serving legal process on us or these individuals in China, or enforcing judgments obtained outside China. China has not entered into treaties or arrangements for the recognition and enforcement of judgments with most other jurisdictions. Although there are arrangements between Chinese Mainland and Hong Kong for the reciprocal recognition and enforcement of certain civil and commercial judgments, their application is subject to specific requirements and procedures. As a result, investors may face uncertainty, delay and additional costs in enforcing legal rights against us, our Directors or senior management, which could limit the remedies available to them.

RISKS RELATED TO THE [REDACTED]

We will be concurrently subject to the [REDACTED] and regulatory requirements of the stock exchanges and jurisdictions where we [REDACTED] our shares.

As our A Shares are listed on the SSE STAR Market and our H Shares will, subject to the approval by the Listing Committee of the Stock Exchange, be [**REDACTED**] on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

Our A Shares are listed on the SSE STAR Market. The characteristics of the A Share and H Share markets may differ.

Our A Shares are listed and traded on the SSE STAR Market. Following the [**REDACTED**], our A Shares will continue to be traded on the SSE STAR Market and our H Shares will be [**REDACTED**] on the Stock Exchange. Under the current PRC laws and regulations, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. The H Share and A Share markets have different trading characteristics, each have different trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable, and the historical prices of our A Shares may

not be indicative of the prices of our H Shares. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, vice versa. Therefore, you should not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares, and their liquidity and market price may be volatile, which could lead to substantial losses to investors.

Before the [**REDACTED**], there was no public market for our H Shares. We cannot assure you that an active and liquid trading market will develop after the [**REDACTED**], or that such market will continue if it develops. The [**REDACTED**] will be agreed between us and the [**REDACTED**], for themselves and on behalf of the [**REDACTED**]. It may be different from the market price of our H Shares after [**REDACTED**]. Although we have applied for [**REDACTED**] on the Stock Exchange, a [**REDACTED**] does not guarantee active trading, sufficient liquidity or stable market prices. The price and trading volume of our H Shares may fluctuate for many reasons. These include changes in our revenue, earnings or cash flow; new investments, collaborations, alliances or acquisitions; business interruptions caused by epidemics, natural disasters or power shortages; changes in our Directors, senior management or key personnel; failure to obtain or maintain regulatory approvals; increased competition; and political, economic, financial or social developments. Shares of other Hong Kong-listed companies with operations and assets in China have experienced significant price volatility. Our H Shares may also fluctuate for reasons unrelated to our operating performance. As a result, investors may suffer substantial losses.

Future sales or perceived sales of substantial amounts of our Shares in the public market could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future.

The market price of our H Shares may decline if a substantial number of our Shares are sold after the [**REDACTED**], or if investors believe such sales may occur. Future sales by our Single Largest Group of Shareholders or other existing Shareholders, or future issuances of Shares by us, could put downward pressure on the market price of our H Shares and make it harder for us to raise capital in the future. Investors who subscribe for H Shares in the [**REDACTED**] are generally not restricted from selling those Shares. Some investors may have arrangements or plans to sell all or part of their H Shares shortly after the [**REDACTED**]. Any sizeable sale of H Shares, or market perception that such sale may occur, could cause significant volatility and materially and adversely affect the market price of our H Shares.

If the [REDACTED] of our H Shares is higher than our consolidated net tangible asset per Share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases.

If the [**REDACTED**] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [**REDACTED**], purchasers of our H Shares in the [**REDACTED**] may experience an immediate dilution. Our existing Shareholders will receive an increase in the [**REDACTED**] adjusted consolidated net tangible asset value per Share of their Shares. In addition, holders of our H Shares may experience further dilution of their interest if we issue additional H Shares in the future to raise additional capital.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will declare and pay dividends in the future.

We have declared dividends in the past. However, our historical dividends should not be regarded as an indication that we will declare or pay dividends in the future. Any future declaration and payment of dividends will be at the discretion of our Directors and, where required, subject to Shareholders' approval. In making their recommendation, our Directors will consider, among other things, our results of operations, financial condition, cash flows, capital expenditure needs, business development plans, market conditions, regulatory restrictions and other factors they consider relevant. Dividends may only be paid out of profits and reserves legally available for distribution.

Our ability to pay dividends may also be affected by PRC laws and regulations, differences between PRC accounting standards and IFRS Accounting Standards, and PRC foreign exchange rules on currency conversion and remittance. As a result, there can be no assurance that we will declare or pay dividends in the future, or as to the timing or amount of any dividend.

Certain facts, forecast and other statistics in this document are derived from various publicly available sources, which have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this document are derived from various publicly available sources, including government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from government and official sources has not been independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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

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

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

There may be press or media reports about us or the [**REDACTED**] before or after the publication of this document. Such reports may contain financial information, industry comparisons, forecasts, views or other information about us or the [**REDACTED**] that is not included in this document. We have not authorized the disclosure of any such information and do not accept responsibility for its accuracy, completeness or fairness. Such information may be inaccurate, incomplete or misleading, and should not be relied upon. In making an investment decision, prospective investors should rely only on the information contained in this document, the [**REDACTED**] documents and any formal announcements made by us in Hong Kong. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you have not relied on any information other than that contained in these documents and announcements.