

RISK FACTORS

An [REDACTED] in our Shares involves significant risks. You should carefully consider all the information in this document, including the risks and uncertainties described below, before making an [REDACTED] decision. We are a biotechnology company incorporated in the Cayman Islands with primary operations in China, seeking to [REDACTED] on the [REDACTED] under Chapter 18A of the Listing Rules. Our business and the biopharmaceutical industry are subject to risks and uncertainties, some beyond our control, which could materially and adversely affect our business, financial condition, results of operations and prospects. The occurrence of any of these risks could cause the [REDACTED] of our Shares to decline, potentially resulting in the loss of all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also harm our business. You should seek professional advice from relevant advisors regarding your prospective [REDACTED] in the context of your specific circumstances.

RISKS RELATING TO THE DEVELOPMENT OF OUR DRUG CANDIDATES

We depend substantially on the successful clinical development, regulatory approval and commercialization of our drug candidates. Any failure to achieve the foregoing, or significant delays or cost overruns in the process, could materially and adversely affect our business, financial condition, results of operations and prospects.

As of the Latest Practicable Date, all of our drug candidates were in various phases of preclinical and clinical development. We have invested and expect to continue to invest significant resources and financial efforts into the development of our existing drug candidates. The success of our drug candidates depends on several critical factors, including: successful completion of preclinical and clinical studies; obtaining positive clinical trial results that demonstrate the efficacy, safety and durable effect of our drug candidates; receipt of regulatory approvals for clinical trials and drug registrations, manufacturing and commercialization; successful identification of potential drug candidates through our research, business development methodologies, or defined search criteria and processes; securing sufficient resources to acquire or discover additional drug candidates; establishing commercial manufacturing capabilities, either by building facilities ourselves or collaborating with CROs and CDMOs; ensuring that our CROs, CDMOs and other third-party partners conduct their activities in compliance with our protocols and applicable regulations while maintaining data integrity; obtaining, maintaining and enforcing intellectual property (“IP”) protection and regulatory exclusivity for our drug candidates; ensuring we do not infringe, misappropriate, or otherwise violate the IP rights of third parties; successfully launching commercial sales of our drug candidates in targeted markets; appropriately pricing our drug candidates and timely collecting payments; obtaining and maintaining favorable reimbursement policies from government and private third-party payers; navigating competition with other comparable products in the market; and continued acceptable safety profile of our drug candidates following regulatory approval.

Some of our drug candidates, such as our ADC assets, represent novel therapeutic approaches that may require additional preclinical or clinical development and regulatory scrutiny compared to more commonly used modalities. If we do not achieve one or more of these factors in a timely manner, or at all, we may experience significant delays or encounter difficulties in obtaining regulatory approvals for and/or commercializing our drug candidates.

If our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.

We must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. If the results of these studies and trials are inconclusive, only modestly positive for the proposed indications, or raise safety concerns, we may face the following consequences: delays in or failure to obtain regulatory approval for our drug candidates; requirements to conduct additional preclinical studies, clinical trials, or other testing beyond our

RISK FACTORS

current development plans; approval for indications that are narrower than intended; requirements to include labeling statements, such as a “boxed” warning or contraindication; requirements to develop medication guides outlining side effect risks for distribution to patients; implementation of risk evaluation and mitigation strategy programs, which may include restricted distribution methods, patient registries, or other risk management measures; restrictions on how the product is distributed or used; significant liabilities, including potential product liability claims or lawsuits for injuries caused by our drug candidates; or inability to secure reimbursement for the use of the product.

A major risk we face is that our preclinical studies and clinical trials may yield inconclusive results regarding the safety and efficacy of our drug candidates, fail to meet clinical endpoints with statistical and clinically meaningful significance, or reveal safety concerns that could delay or prevent regulatory approval. Variability in safety or efficacy results across different studies or trials of the same drug candidate may arise due to changes in trial protocols, differences in the size or characteristics of patient populations, adherence to clinical trial protocols, or participant dropout rates, all of which could further complicate the development process.

The use of our drug candidates may result in side effects. If clinical trials reveal side effects with unacceptable severity or prevalence, regulatory authorities may suspend or terminate our trials, order us to cease further development, or deny approval for any or all targeted indications. In such cases, we may need to abandon development or limit it to narrower uses or subpopulations where the side effects are less prevalent, less severe, or more acceptable from a risk-benefit perspective. Treatment-related side effects could also adversely affect patient recruitment, increase participant dropout rates, or lead to potential product liability claims.

Clinical drug development is a lengthy and expensive process with inherent uncertainties, and we may not be able to commercialize our drug candidates at all.

Our drug candidates are susceptible to risks of failure inherent at any stage of development, including the occurrence of unexpected or unacceptable adverse events and failure to demonstrate efficacy. We may encounter unexpected events during clinical trials that could delay or prevent regulatory approval, including: regulators not authorizing us or our investigators to conduct a clinical trial at a prospective site; additional clinical trials required due to negative or inconclusive results; insufficient or slower-than-anticipated patient enrollment, or higher-than-expected dropout rates; suspension or termination of trials due to lack of clinical response or unacceptable health risks; failure of CROs to comply with regulatory requirements or meet contractual obligations in a timely manner; inadequate supply or quality of drug candidates or other materials necessary for clinical trials; or higher-than-anticipated trial costs. For example, our global multi-center Phase III clinical trials for MHB018A require effective site selection, trial conduct, data management and quality control across jurisdictions, and any difficulties in these areas may increase our research and development costs or extend the trial duration. The development of MHB036C in combination with MHB039A may also involve additional regulatory requirements or uncertainties, as both are investigational drug candidates, which may result in protocol amendments, additional studies or delays in clinical development.

Results of early-stage clinical trials may not be predictive of later-stage trial outcomes.

Drug candidates that show promise in early studies may fail to demonstrate the desired safety or efficacy in later-stage trials. A few companies in the biopharmaceutical industry have experienced significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Variability in safety or efficacy results across trials of the same drug candidate may arise from differences in patient populations including genetic variations or pre-existing conditions, patient adherence to dosing regimens, trial protocol modifications, or participant dropout rates. Furthermore, as drug candidates progress towards approval and commercialization, it is customary that various aspects of the development program, such as manufacturing and formulation, be altered along the way in an effort to optimize processes and results. Such changes carry the risk that they may not achieve their intended objectives, potentially leading to inconsistent trial results or delays in trial completion.

RISK FACTORS

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

The timely initiation and completion of clinical trials depend on our ability to enroll a sufficient number of eligible subjects who meet the applicable criteria and remain in the trial until its conclusion. Subject enrollment for our clinical trials may be affected by numerous factors, including: the size and nature of the relevant patient population; the design and eligibility criteria of the clinical trial; perceived risks and benefits of the drug candidate under study; the severity of the disease being investigated; the availability of competing therapies or clinical trials; our resources to facilitate timely enrollment; physician referral practices; our ability to obtain and maintain subject consents; the efforts of investigators or clinical trial sites to screen and recruit eligible subjects; the proximity and availability of clinical trial sites for prospective subjects; and external disruptions such as natural disasters, health epidemics, or other public events.

These factors could lead to insufficient enrollment or higher-than-anticipated dropout rates, which may increase trial costs, delay timelines, or affect the outcome of planned clinical trials. In addition, some of our competitors may have ongoing clinical trials for drug candidates targeting the same indications as ours, and eligible subjects may instead participate in those trials, further complicating our clinical trial enrollments. Also, delays in enrollment could result in increased development costs, disrupt the timing of clinical trials, or compromise trial outcomes, potentially preventing the completion of these trials. In particular, given the ongoing clinical development of IGF-1R-targeting agents and other TED therapies in the U.S. and TROP-2 ADC candidates for NSCLC and BC in Chinese Mainland, we may face increased competition for clinical trial sites, investigators and eligible patients. This may affect our site selection, patient enrollment speed and ability to execute the planned clinical trials for MHB018A and MHB036C within the expected timelines, potentially delaying their clinical development and market entry.

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

Undesirable adverse events caused by our drug candidates could prompt us or regulatory authorities to interrupt, delay, or halt clinical trials, impose a more restrictive label, delay or deny regulatory approval, or necessitate significant changes to our clinical protocols or overall development plan. Product-related adverse events could also hinder patient recruitment, increase dropout rates, or lead to potential product liability claims, any of which could significantly harm our reputation and development efforts. If our drug candidates receive regulatory approval, adverse events caused by such drugs, whether used alone, in combination with other products, or through off-label use, could lead to significant negative consequences, including: suspension of product marketing; additional warnings or safety alerts on the product label; implementation or expansion of a risk evaluation and mitigation strategy (REMS), such as restricted distribution or patient registries; requirements to conduct post-market studies; changes in the way the product is administered; product recalls or liability claims for harm caused to patients; withdrawal of approvals or revocation of licenses; and reputational damage.

All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated.

All jurisdictions in which we plan to develop and commercialize our drug candidates impose rigorous regulatory oversight. Our primary focus is on conducting activities in Chinese Mainland while pursuing opportunities in the U.S. and other regions. The pharmaceutical and biopharmaceutical industries in these jurisdictions are governed by extensive regulations covering the development, approval, manufacturing, marketing, sales, and distribution of products. However, variations in regulatory frameworks across these regions create a complex and costly compliance burden for our operations.

Obtaining regulatory approvals and maintaining compliance with applicable laws and regulations demand significant time and financial resources. Changes in legislation or regulatory practices, such as relaxed requirements that lower barriers for competitors or stricter standards that

RISK FACTORS

increase compliance challenges, could raise the cost and difficulty of securing approvals and commercializing our drug candidates, potentially impacting the prices we can charge. We are also subject to periodic, scheduled, or unscheduled inspections of our facilities to ensure regulatory compliance. We may not continue to successfully pass such inspections or obtain necessary clearances for our drug candidates’ discovery and development.

The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities are time-consuming and may evolve over time. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be materially and substantially affected.

We cannot assure you that any of our drug candidates will receive timely approval. Our drug candidates could fail to receive approval for reasons including: failure to initiate or complete clinical trials due to disagreements with regulatory authorities; inability to demonstrate that a drug candidate is safe, effective, pure, or potent for its proposed indication; clinical trial results failing to meet the level of statistical significance required for approval; data integrity issues related to our clinical trials; disagreement with our interpretation of preclinical or clinical trial data; failure to conduct clinical trials in accordance with our clinical trial protocols; deviations by clinical sites, investigators, or participants from trial protocols or regulatory requirements; and failure to pass GCP or GMP inspections.

Regulatory authorities may require additional data, analyses or studies to support application, which could delay or prevent approval and disrupt our commercialization plans. For example, following our initial NDA submission for MH004 for AD in May 2025, the CDE recommended in December 2025 that the NDA be resubmitted after completion of the safety follow-up for all subjects in the Phase III clinical trial for mild to moderate AD. We therefore withdrew the initial NDA and resubmitted it in March 2026 with the complete safety follow-up data. The NMPA accepted the resubmitted NDA for review in April 2026. We may also choose to abandon development programs if approval seems unattainable. Changes in regulatory requirements, guidance, or policies may necessitate amendments to clinical trial protocols, increasing costs and timelines. New regulations or shifts in existing ones could further limit or delay approval of our drug candidates.

In addition, clinical trials conducted in one jurisdiction may not be accepted by regulators in others, and approval in one country does not ensure approval elsewhere. Variations in approval processes across jurisdictions may require additional testing, validation, or administrative reviews, leading to significant delays and costs. We cannot assure you our drug candidates will be approved for sale in those markets. Additional time, effort and expense may be required to bring our drug candidates to the international markets in compliance with different regulatory processes.

We entered into a collaboration agreement with Qilu Pharmaceutical (“Qilu”) for the future development of our key product MHB088C, and the success of this collaboration, as well as any additional strategic partnerships we may pursue in the future, may have an impact on our business operations.

On March 31, 2025, we entered into a licensing and collaboration agreement with Qilu for the development, manufacturing, and commercialization of its MHB088C (B7-H3 ADC) in Greater China. See “Business — Collaboration and Licensing Agreement.” In performing such licensing and collaboration agreement, we may face the following risks in our business operation: our authority to commercialize our drugs will be limited in certain ex-China jurisdictions; Qilu may execute its rights to terminate the agreement if conditions therein are met, which may cause us a loss or affect our marketing and commercialization plans; we may have disputes with Qilu regarding the IP ownership and license and may lose the IP ownership and license of our future R&D achievements; Qilu may not pay the consideration in accordance with the collaboration agreement, which may affect the development and the commercialization of our drug candidate; we may trigger certain clause and may have to indemnify, defend and hold harmless Qilu in accordance with the

RISK FACTORS

collaboration agreement, which may cause a significant financial loss to us; we may fail to achieve the outcome provided in the agreement and may not be able to license or commercialize our candidate drug through the collaboration agreement; we or Qilu may fail to comply with development, manufacturing, and marketing of the candidate drug, which may lead to the postponement or even failure of the development of the candidate drug; and we may experience other potential effect in performing this collaboration agreement and our business operation may be further affected by such.

Under the Qilu Collaboration Agreement, Qilu may terminate the agreement if we commit an uncured material breach or become insolvent. In such circumstances, all licenses and other rights granted to Qilu would terminate, and we may (i) lose access to the remaining development, regulatory and sales milestone payments and royalties that we would otherwise be entitled to under the agreement, and (ii) be required to reassume or reallocate development, manufacturing and commercialization responsibilities for MHB088C in Greater China or identify a new partner. This could increase our costs, lead to delays or disruption in the timing and scale of our planned launch, and adversely affect our marketing and commercialization plans. Even if Qilu and us perform the collaboration agreement as anticipated, we cannot guarantee that we can acquire the outcome as we expected. Also, the successful performance of such agreement cannot guarantee the commercialization of and the profit from our candidate drug. In addition, we may in the future seek to establish other strategic collaborations or partnerships to support the development and commercialization of our product pipeline. We may not be able to identify suitable business partners on commercially acceptable terms, or at all. Even if such partnerships are established, they may not deliver the anticipated benefits, may not perform as expected, or may be subject to disputes or changes in strategic direction.

We may allocate our limited resources to pursue a particular drug candidate or indication, and as a result, may forgo or delay to capitalize on drug candidates or indications that could prove more profitable or have a greater likelihood of success.

As we have limited financial and managerial resources, we must make strategic decisions regarding the allocation of funds and personnel to specific drug candidates and therapeutic indications. These decisions may cause us to overlook or delay the development of other drug candidates or indications that may ultimately have greater commercial potential or a higher probability of regulatory approval. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may pursue less viable programs, resulting in inefficient use of resources. Furthermore, prioritization of certain clinical development programs may lead to delays in initiating or continuing clinical trials for other drug candidates due to insufficient resources. Such delays could increase development costs, extend timelines, or allow competitors to bring similar products to market before us, potentially shortening the periods during which we have exclusive commercialization rights.

We work with various third parties to develop our drug candidates. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially and adversely affected.

We have worked with and may continue to work with third parties including CROs, CDMOs and clinical trial institutions, on our ongoing preclinical and clinical programs. We rely on these parties to execute our preclinical studies and clinical trials and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements, and scientific standards, including Good Clinical Practice (GCP) and Good Manufacturing Practice (GMP) regulations enforced by the NMPA, the FDA and other comparable regulatory authorities.

If any of our relationships with these third-party CROs or CDMOs terminate, we may not be able to enter into arrangements with alternative CROs or CDMOs or do so on commercially reasonable terms. In addition, our CROs and CDMOs are not our employees, and except for

RISK FACTORS

remedies available to us under our agreements with them, we cannot control whether they devote sufficient time and resources to our ongoing clinical and non-clinical programs. If CROs or CDMOs do not carry out their contractual duties or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised, our clinical trials may be extended, delayed, or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates.

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

Our relationships with principal investigators, key opinion leaders (“KOLs”), physicians, and other industry experts play a critical role in our research, development and marketing activities. We have established extensive interaction channels with these industry participants to gain first-hand knowledge of clinical needs and clinical practice trends, which is essential to our ability to develop market-responsive drugs. However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with principal investigators, KOLs, physicians and other industry experts, or that our efforts to maintain or strengthen such relationships will lead to the successful development and marketing of new products. These industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us, or collaborate with our competitors instead. Their market insights and perceptions may be inaccurate and lead us to develop products that do not have significant market potential. Even if their insights and perceptions are correct, we may fail to develop commercially viable products.

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

The long-term success of our business depends in part on our ability to discover, develop, license, or commercialize additional drug candidates to maintain and expand our product pipeline. Our research programs or licensing efforts may fail to yield viable new drug candidates for clinical development and commercialization for various reasons, including: the research methodologies employed may not successfully identify potential indications or new drug candidates; potential drug candidates may, upon further study, exhibit adverse effects or other characteristics that render them unlikely to achieve the desired efficacy; or identifying additional therapeutic opportunities or developing suitable new candidates may demand greater resources than available, thereby constraining our ability to diversify and expand our product portfolio.

We may not be successful in developing, enhancing or adapting to new technologies and methodologies.

The global biopharmaceutical market is continuously evolving, and we must keep pace with new technologies and methodologies to maintain our competitive position. In 2024, 2025 and the five months ended May 31, 2025 and 2026, our R&D expenses were RMB280.7 million, RMB230.3 million, RMB60.1 million and RMB120.0 million, respectively. We cannot assure you that we will successfully develop, enhance, or adapt to new technologies and methodologies, identify new technological opportunities, develop and bring new or enhanced products to market, obtain sufficient IP protection for such products, or secure necessary regulatory approvals in a timely and cost-effective manner. Failure to achieve these objectives could render our technologies obsolete or less competitive, particularly if competitors adopt more advanced methodologies.

We may face challenges in developing or marketing our drug candidates as combination therapies due to safety, efficacy, or regulatory issues.

We are developing certain drug candidates for use in combination with other drug candidates. For example, we are actively exploring the combination potential of MHB036C and MHB039A. See “Business — Our Product Pipeline” for details. If the regulatory authorities revoke approval of any of our drug candidates intended for combination use, we may be unable to develop or market the affected drug candidates as planned combination therapies. Additionally, if safety or efficacy

RISK FACTORS

concerns emerge with these drug candidates when used in combination, we may face significant regulatory delays, requiring us to redesign or terminate applicable clinical trials. Furthermore, manufacturing issues or other factors leading to a supply shortage of our drug candidates intended for combination use could prevent us from completing clinical development on our current timeline or within budget, or at all. If we discontinue any of our drug candidates intended for combination therapies or if they become prohibitively expensive to produce, we may be unable to identify or develop alternative combination strategies in a timely manner or on commercially reasonable terms.

We may seek approvals from the NMPA, the FDA, or other comparable regulatory authorities to use data from registrational trials through accelerated approval pathways for our drug candidates. If we cannot utilize these pathways, we may need to conduct additional clinical trials beyond those planned, which would increase costs and delay or potentially prevent necessary regulatory approvals.

The regulatory authorities may grant accelerated approval for a drug candidate that offers meaningful therapeutic benefits over existing treatments for serious or life-threatening conditions, based on a surrogate endpoint or intermediate clinical endpoint reasonably likely to predict clinical benefit. For example, the FDA considers a clinical benefit as a positive therapeutic effect that is clinically significant, such as reducing irreversible morbidity or mortality. A surrogate endpoint, such as a laboratory measurement, radiographic image, or physical sign, is thought to predict clinical benefit but is not itself a direct measure of it. An intermediate clinical endpoint is a measure, like an effect on irreversible morbidity or mortality, considered likely to predict clinical benefit. Accelerated approval may apply when a drug’s advantage over available therapies is a clinically important improvement from a patient or public health perspective.

There is no assurance that regulatory authorities will accept our proposed surrogate or intermediate clinical endpoints, or that we will pursue or submit NDAs or comparable applications for accelerated approval or other expedited development, review, or approval processes. Even if we initially plan to seek such pathways, feedback from regulators may lead us to abandon these efforts. Furthermore, there is no guarantee that any application for accelerated approval or expedited designation will be accepted for filing, or that approval will be granted on a timely basis, or at all. Failure to obtain accelerated approval or other expedited processes could extend the timeline for commercializing our drug candidates, increase development costs, and weaken our competitive position in the market.

Even if we obtain accelerated approval based on a surrogate endpoint, we will likely need to conduct a post-approval clinical outcome trial to confirm clinical benefit. If this trial fails to demonstrate such benefit, we may be unable to continue marketing the drug for the relevant indication. Under the PRC Drug Administration Law, the Administration Measures for Drug Registration and the Working Procedures for the Review and Approval of Conditionally Approved Drugs, if we fail to prove that the benefits of a conditionally approved drug outweigh its risks through post-approval research, or if we fail to complete required post-approval research within the prescribed timeline and submit supplementary applications for full marketing approval, the NMPA may take actions, including revocation of the drug registration certificate.

Even after obtaining regulatory approval for the marketing and distribution of our drug candidates, our products will remain subject to ongoing regulatory review and evolving regulatory obligations, which may result in significant additional expenses, and non-compliance may subject us to penalties.

Any approved drug products will remain subject to extensive and ongoing regulatory requirements in jurisdictions such as China and the U.S., covering manufacturing, labeling, packaging, storage, distribution, advertising, promotion, sampling, record-keeping, adverse event reporting and post-marketing studies. These requirements include submitting safety and other post-marketing information, maintaining registration, adhering to cGMP and GCP, and conducting any required post-approval clinical trials, all of which entail significant time and expense.

RISK FACTORS

Approvals for our drug candidates may come with limitations on approved indications or conditions requiring costly post-marketing studies to monitor safety and efficacy, potentially reducing commercial potential. The regulatory authorities may also mandate a REMS program as a condition of approval, further increasing compliance costs.

Once a product is approved by the regulatory authority for marketing, there could be a subsequent discovery of previously unknown problems with the product, including problems with third-party manufacturers or manufacturing processes. Such problems may result in, among other things: restrictions on marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary or mandatory product recalls; fines, warning letters, or clinical trial holds; refusal by regulatory authorities to approve pending applications or supplements filed by us; suspension or revocation of approvals we have obtained; product seizure, detention, or import/export restrictions; and injunctions or civil, administrative, or criminal penalties.

The data and information we gather or otherwise rely on in our research and development process could be inaccurate or incomplete, which could harm our trial results, reputation and prospect.

We collect, process and analyze data and information from preclinical studies, clinical trials and other research and development programs, as well as during the identification and development of potential drug candidates. Data in the healthcare industry is often fragmented, inconsistent in format and incomplete, making its overall quality susceptible to errors or omissions. Mistakes in the capture, input, or analysis of this data could materially impair our ability to advance the development of our drug candidates and adversely affect our business, prospects and reputation. We also rely on data to obtain regulatory approvals necessary for the development and commercialization of our drug candidates, submitting such data to governmental entities under complex processing and validation regulations. Errors or wrongful handling in the storage, submission, delivery, or display of this data could expose us to liability, further harming our operations and reputation. In addition, we depend on third parties, such as collaborators, to collect and process data for certain preclinical and clinical programs, over which we have limited control. If these third parties produce inaccurate, incomplete, or erroneous data, our clinical development activities could be negatively impacted.

RISKS RELATING TO THE MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

We have no track record and limited experience in launching and marketing our products. If we fail to effectively commercialize our drug candidates after obtaining regulatory approval, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our ability to successfully commercialize our drug candidates, if approved, may involve greater risk, take longer and require more resources than it would for a company with established commercialization expertise. Developing in-house commercialization and distribution capabilities requires significant investment in recruiting, training and retaining marketing and sales personnel, competing with other companies with established commercialization operations. There can be no assurance that we will successfully build or maintain effective in-house sales and marketing capabilities. Alternatively, we may pursue collaborative arrangements with third parties, such as contract sales organizations or online platforms, to handle the sales and marketing of our approved drugs. However, there is no guarantee that we will establish or maintain such collaborations, or that any third-party partners will have effective sales forces. We would have limited control over the marketing and sales efforts of these third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. We also face competition in securing third-party collaborators for sales and marketing efforts. Failure to develop effective in-house capabilities or establish successful third-party collaborations could prevent us from generating anticipated product sales revenue, adversely affecting our business and prospects.

RISK FACTORS

We face intense competition and rapid technological change, and our competitors may develop therapies that are similar, more advanced, or more effective than ours.

The biotechnology industry in which we operate is highly competitive and subject to rapid technological changes. Our drug candidates face competition in various aspects, including safety and efficacy, the timing and scope of regulatory approvals, availability and cost of supply, sales and marketing capabilities, price, and patent status. For instance, our Core Products, key products and other pipeline products may compete with approved drugs and existing candidates directed against the same molecular targets or approved for the same indications upon potential marketing approval.

Our competitors may include multinational pharmaceutical companies, biotechnology companies, and research institutions worldwide. For example, in recent years, an increasing number of biopharmaceutical companies have joined the competition in ADCs, with large pharmaceutical companies leading the competition and biotechnology companies making frequent breakthroughs. Some of these competitive drugs and therapies are based on scientific approaches similar to ours. Many of our competitors have substantially greater financial, technical, and other resources than we do, such as larger R&D staff and established marketing and manufacturing infrastructure. Collaborations, mergers, and acquisitions in the pharmaceutical industry may result in even more resources being concentrated among our competitors. As a result, these companies may advance their drug candidates and obtain regulatory approval more rapidly than we do and be more effective in marketing their products. Smaller or early-stage companies may also be significant competitors, particularly through collaborative arrangements with large, established companies.

Competition may increase further due to advances in the commercial applicability of technologies and greater availability of capital investment in the industry. Our competitors may succeed in developing, acquiring, or licensing on an exclusive basis products that are more effective or less costly than any drug candidate we may develop, or achieve earlier patent protection, regulatory approval, product commercialization, and market penetration than we do. To compete with an approved product, we must demonstrate compelling advantages in efficacy, safety, or other aspects to overcome price competition and achieve commercial success. Furthermore, disruptive technologies and medical breakthroughs may further intensify competition and render our drug candidates uneconomical or obsolete, and we may not be successful in marketing our drug candidates against competitors.

We currently rely on third parties to manufacture our drug candidates for clinical development, and we may continue to rely on them for initial commercial-scale manufacturing upon regulatory approval. Our business could be adversely affected if those third parties fail to deliver sufficient quantities of quality products.

As of the Latest Practicable Date, we had not established any manufacturing facilities for clinical or commercial-scale production and had relied on CDMOs for the manufacturing of our drug candidates. We expect to continue relying on CDMOs for initial commercial-scale manufacturing upon regulatory approval. Our dependence on these CDMOs exposes us to risks relating to capacity, quality control, regulatory compliance and supply chain stability. In particular, we may be unable to identify or engage qualified manufacturers on acceptable terms, or at all, and any new manufacturer would be subject to approval by the NMPA, the FDA or other comparable regulatory authorities, which may require additional testing and GMP compliance inspections and could delay production. Our manufacturers may lack experience with our drug candidates, have limited capacity or scheduling conflicts, fail to produce sufficient quantities or meet required quality standards, fail to perform as agreed or devote adequate resources, terminate agreements, cease operations, or experience financial distress or bankruptcy. In addition, manufacturers are subject to periodic unannounced inspections by regulatory authorities, and, because we have limited control over their compliance with applicable GMP and other requirements, any non-compliance could jeopardize regulatory approvals or result in sanctions. We may also not own, or may need to share, IP rights relating to manufacturing process improvements, and our manufacturers may misuse our proprietary information or infringe third-party intellectual property rights. Further, during the

RISK FACTORS

Track Record Period, we and our CDMOs relied on third-party suppliers for certain raw materials used in research, development and clinical trials, and we expect demand for such materials to increase as we scale our operations and commercialize our drug candidates. Raw materials or components, particularly single-source supplies, may become unavailable, defective or unsuitable, and manufacturers may also be affected by natural or manmade disasters or customs or import issues, which could result in delays or additional costs.

If we are unable to meet the increasing demand for our products by ensuring that we or the third-party manufacturers have adequate manufacturing capacity, our business and financial condition would be materially and adversely affected.

We are pursuing a phased approach to commercial manufacturing. In the near term, we will rely on CDMOs to achieve initial commercial-scale production and supply. There is no assurance that these manufacturers will produce the required quantity or quality to meet our clinical and commercial needs, which could disrupt our ability to meet market demand. In the long term, we may build in-house manufacturing facilities to support commercial production. Constructing such facilities requires significant capital investment, and we cannot guarantee timely access to the necessary financing, if at all. Even after construction, we may not fully utilize these facilities immediately or within a reasonable timeframe. During the construction and ramp-up period, changes in the biopharmaceutical industry, such as shifts in market demand, pricing, or customer preferences, could lead to operational inefficiencies or excess capacity.

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

The quality of our drug products, including candidates used in R&D, depends significantly on the effectiveness of our quality control and quality assurance systems. These systems rely on factors such as robust production processes, reliable equipment, the capabilities of the CDMOs we engage, and our ability to ensure their adherence to our quality control and assurance protocols. We maintain a comprehensive quality control system, established and refined in accordance with rigorous regulatory requirements and guidelines in China, the U.S., and other target markets. However, we cannot guarantee that our quality control and assurance procedures will consistently prevent or resolve deviations from our quality standards or that our standard operating procedures will always be complete or up to date. Any significant failure or deterioration in these protocols could render our products unsuitable for use, lead to audit deficiencies, jeopardize certifications, or harm our market reputation and relationships with business partners.

Our operations depend on the supply of raw materials, equipment and other supplies for research, development and clinical trials, and disruptions could materially impair our business.

Our operations rely on third-party suppliers for raw materials, equipment, and other supplies needed for research, development, and clinical trials, and we expect to continue this reliance for manufacturing our drug candidates upon commercialization. This dependence exposes us to supply chain risks that could materially impair our operations, revenue, and profitability. Insufficient supply quantity or quality could delay clinical studies, regulatory approvals, or market demand fulfillment, while price increases may reduce profitability if not passed on to customers. Suppliers may fail to maintain adequate quality, and undetected issues could disrupt development, manufacturing, or lead to liability claims. Additionally, supplier non-compliance with necessary licenses, permits, or regulations could cause shortages, delays, or recalls, exposing us to regulatory violations and remediation costs. If supplies are interrupted, finding alternative sources on acceptable terms or timelines may be challenging, materially harming our business, financial condition, and results of operations.

RISK FACTORS

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

Our business partners, including CRO, CDMOs and suppliers, upon whom we rely to develop, manufacture, market, sell, and distribute our drug candidates, are required to obtain and maintain necessary permits, licenses, and certificates for their operations. These partners are subject to regular inspections, examinations, inquiries, or audits by regulatory authorities, and an adverse outcome in such processes could result in the loss or non-renewal of critical permits, licenses, or certificates. If our business partners fail to maintain or renew these material authorizations, our ability to conduct our business could be significantly impaired. Additionally, changes in the standards applied by governmental authorities for renewing or reassessing our partners’ licenses, permits, or certifications, or the enactment of new regulations restricting their operations, could reduce our revenue and increase our costs, materially and adversely affecting our business, financial condition and results of operations.

Our drug candidates, if approved, may face limited reimbursement coverage or unfavorable pricing policies, which could harm our commercial success.

The commercial success of our drug candidates, if approved, depends significantly on the extent to which reimbursement is available from government health authorities, private health insurers, and other third-party payers. Regulatory frameworks governing pricing and reimbursement for therapeutic products vary widely across jurisdictions, and we cannot assure you that our drug candidates will secure adequate coverage or reimbursement.

In China, the National Healthcare Security Administration and other authorities manage the National Reimbursement Drug List (“NRDL”), which determines reimbursement levels under the National Medical Insurance Program. Inclusion in the NRDL significantly impacts demand, but innovative drugs like our candidates have historically faced challenges due to cost constraints. There is no guarantee that our approved drug candidates will be included in the NRDL or similar reimbursement lists. Factors such as efficacy, safety, and price influence inclusion, and failure to secure NRDL listing could result in reliance on patient self-payment, reducing competitiveness.

In the U.S., no uniform reimbursement policy exists among third-party payers, requiring us to provide scientific, clinical, and cost-effectiveness data to each payer, a process that is time-consuming and costly with no assurance of adequate coverage or reimbursement. Even if coverage is obtained, reimbursement rates may be insufficient to achieve profitability or may require high patient co-payments, limiting demand. Third-party payers increasingly demand discounts and challenge drug prices, and coverage may not extend to long-term follow-up evaluations required for our drug candidates.

Global trends in cost containment may further limit coverage and reimbursement for our high-cost drug candidates, particularly those administered under physician supervision. Reimbursement may be delayed, limited to narrower indications than approved, or set at rates that do not cover our costs for research, development, manufacturing, and distribution. Government-imposed price controls, mandatory discounts, or rebates in China and other jurisdictions could further reduce net prices, impacting revenue. If reimbursement is unavailable, inadequate, or not sustained, or if pricing pressures force significant price reductions, we may be unable to successfully commercialize our drug candidates, materially harming our business, operating results, and financial condition.

Our drug candidates, once launched, may fail to achieve or maintain the degree of market acceptance by physicians, medical institutions, pharmacies, patients, third-party payers and others in the medical community necessary for commercial success.

The degree of market acceptance for our drug candidates, if approved for sale, will depend on several factors, including: the approved clinical indications; the perceived safety and efficacy of our drug candidates; the perceived advantages of our drug candidates over alternative treatments; the prevalence and severity of any side effects; product labeling or package insert requirements imposed by regulatory authorities; limitations or warnings in approved labeling; the timing of our drug candidates’ market entry relative to competitive products; treatment costs compared to

RISK FACTORS

alternatives; availability of adequate coverage and reimbursement; government imposed price controls or downward pricing adjustments; patients’ willingness to pay out-of-pocket in the absence of coverage or reimbursement; the convenience and ease of administration compared to alternative therapies; adverse publicity about our products or favorable publicity about competitors’ products; and the effectiveness of our sales and marketing efforts. If our approved drug candidates fail to achieve or sustain market acceptance among physicians, patients, hospitals, medical treatment centers, or others in the medical community, we may not generate revenue as anticipated. Even if our drug candidates initially gain market acceptance, we may not maintain it over time if new products or technologies are introduced that are more favorably received, more cost-effective, or render our products obsolete.

The market size of our drug candidates might be smaller than we expected.

Our estimates of the market size for our drug candidates, which are being developed to treat dermatologic conditions, thyroid eye disease, and a range of cancers, are based on the anticipated number of patients with these conditions and the subset who may benefit from our drug candidates. These estimates, derived from various sources and our analysis, may prove inaccurate due to new studies or data that alter the estimated incidence or prevalence of these diseases. The addressable patient population could be limited to specific subgroups, such as patients who are ineligible for or have failed to respond to prior treatments, existing therapies or other interventions, potentially resulting in a smaller market than anticipated.

Counterfeit pharmaceutical products, illegal or parallel imports, and off-label use could reduce demand, harm our reputation, and adversely affect our business.

Counterfeit pharmaceutical products, which may be fraudulently mislabeled or manufactured without proper licenses, could imitate our future approved drug candidates and be sold at lower prices. These products are unlikely to meet our rigorous manufacturing and testing standards and may pose health risks to patients, potentially damaging our reputation and business relationships. Regulatory authorities may struggle to prevent counterfeit products in a timely manner.

Illegal or parallel imports of similar or competing products from countries with lower prices due to government controls or market dynamics may undermine demand for our future approved drug candidates in China, the U.S. and other markets where we commercialize our products. Unauthorized imports have occurred in China and may continue or increase as access to lower-priced drugs grow. Future regulations or policies that expand consumer access to lower-priced biosimilars or competing products from other jurisdictions could further intensify pricing pressures and reduce sales, significantly impacting our profitability.

Additionally, our approved drug products may be subject to off-label use, where they are prescribed for unapproved indications, dosages, or patient populations. Despite regulations by the NMPA, the FDA, and other authorities prohibiting off-label promotion, such use could occur, leading to risks from insufficient safety or efficacy data, regulatory non-compliance, reimbursement challenges, or adverse events. Off-label use may render our products less effective, cause unexpected adverse reactions, or generate negative publicity, potentially delaying clinical trials or hindering regulatory approvals. These outcomes could expose us to liability, harm our product brand, and materially adversely affect our business operations, financial condition, and prospects.

RISKS RELATING TO OUR FINANCIAL POSITION

We have incurred net losses since inception, may continue to incur net losses in the next few years, and may not be able to achieve or maintain profitability.

We have not generated revenue from commercial product sales to date and have incurred significant R&D expenses and other operational costs. As a result, we recorded net losses of RMB282.6 million, RMB919.3 million, RMB50.8 million and RMB210.2 million in 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. We expect to continue to incur net losses in the foreseeable future, and that these net losses may increase as we carry out certain activities relating to our development, including to: advancing ongoing and planned R&D activities; identifying or developing new drug candidates to expand our pipeline; scaling operations to support

RISK FACTORS

clinical trials and potential commercialization; hiring additional personnel for drug discovery, clinical, quality control and administration; developing, maintaining and protecting our IP portfolio; seeking regulatory approvals for our drug candidates; establishing sales, marketing and distribution infrastructure for approved products; expanding globally; and operating as a [REDACTED] company following the completion of this [REDACTED].

Our limited operating history as a clinical-stage biotechnology company may make it difficult to evaluate our business and predict future performance.

We are a clinical-stage biotechnology company with a limited operating history, focusing on establishing our IP portfolio, conducting drug discovery, preclinical studies, and clinical trials, as well as organizing operations, staffing, business planning, and raising capital. As of the Latest Practicable Date, we had not obtained marketing approvals for or commercialized any drug candidates, and we had not generated revenue from product sales. Our limited operating history, combined with the rapidly evolving biopharmaceutical industry and changing regulatory and market environments, makes it challenging to assess our future performance. Predictions about our success or viability may be less reliable than those for companies with longer operating histories. Our ability to generate revenue and achieve profitability depends on numerous factors, including: obtaining regulatory approvals for our drug candidates; successfully launching and commercializing approved products; completing research, preclinical, and clinical development; developing sustainable and scalable manufacturing processes, including through third-party suppliers or future in-house facilities; addressing competitive technological and market developments; identifying, acquiring, or developing new drug candidates and IP; negotiating favorable terms in collaborations or licensing agreements; maintaining and protecting our IP portfolio; and attracting and retaining qualified personnel.

Even if we obtain regulatory approval for Core Products or other candidates, we expect to incur significant costs for manufacturing and commercialization. Factors beyond our control, such as government pricing regulations, competitor product sales, raw material supply disruptions, cost increases, quality issues, IP disputes, adverse changes in our sales network, or unfavorable regulatory changes, could impact sales volumes, pricing, and profitability.

We had net operating cash outflows and net current liabilities during the Track Record Period. As of December 31, 2024 and 2025, and May 31, 2026, we recorded net current liabilities of RMB1,165.2 million, RMB2,045.1 million, and RMB2,196.2 million, respectively. We may require additional financing to fund our operations, and failure to secure sufficient funding could hinder development and commercialization of our drug candidates.

Our operations have consumed substantial cash since inception, with net cash outflow to operating activities amounted to RMB145.6 million, RMB182.6 million and RMB180.7 million in 2024, 2025 and the five months ended May 31, 2026, respectively. We recorded net current liabilities of RMB1,165.2 million, RMB2,045.1 million and RMB2,196.2 million as of December 31, 2024 and 2025 and May 31, 2026, respectively, primarily due to our convertible preferred shares, which were classified as current liabilities during the Track Record Period. See “Financial Information — Indebtedness” for more details. We may experience net cash outflows from our operating activities from time to time, as we advance our drug candidates through clinical development, regulatory review, manufacturing, and commercialization. We plan to fund operations primarily with existing cash, revenue from our licensing agreement and [REDACTED] from the [REDACTED], with future product sales expected to contribute upon commercialization. For details, see “Financial Information — Working Capital Sufficiency.” Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect.

We may require additional financing through public or private equity offerings, debt financing, or collaborations, which may not be available on acceptable terms, or at all. Our net liabilities position exposes us to liquidity risks, which could necessitate external financing, such as debt issuance or bank borrowings. Such financing may carry restrictive covenants limiting our

RISK FACTORS

ability to incur additional debt, issue equity, acquire IP, or conduct operations, potentially restricting our business flexibility. Raising capital through equity issuance could dilute Shareholders’ ownership, and new securities may have rights or preferences that take priority over existing Shares, potentially causing our Share [REDACTED] to decline. The incurrence of additional indebtedness could impose fixed payment obligations, further straining liquidity. Failure to secure adequate funding when needed could force us to delay, limit, reduce, or terminate research, development, or commercialization efforts, materially adversely affecting our business, financial condition, and results of operations.

We have granted and may continue to grant remuneration in the form of share-based payments, which may impact our financial performance and cause dilution to our existing Shareholders.

We have adopted an equity incentive plan, under which we grant share options to our employees, officers, Directors or consultants as incentives for their contributions to our long-term success. We may grant additional share-based compensation in the future to further align the interests of our employees, Directors and consultants with our Company’s objectives. These share-based payments could increase our operating expenses. Additionally, the issuance of new Shares under these plans may dilute the ownership percentage of existing Shareholders, potentially reducing your proportional interest in our Company.

Disruptions in global financial markets and economic conditions could impair our ability to raise capital.

Global economic and financial market turbulence, driven by factors such as credit market deterioration, extreme volatility in security prices, diminished liquidity and credit availability, ratings downgrades, or declining investment valuations, could significantly hinder our ability to raise capital on a timely basis or on acceptable terms. Governments have historically intervened to stabilize markets by providing liquidity, but there is no assurance that such actions will succeed or prevent adverse conditions from recurring. Ongoing geopolitical tensions, including conflicts in the Middle East, the Russia-Ukraine conflict, and unrest or terrorist threats in other regions, further exacerbate uncertainties in global financial markets. These challenges could disrupt our access to capital, limit our ability to fund research, development, and commercialization of our drug candidates, and create broader economic instability.

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

The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar, at times significantly and unpredictably. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in political and economic conditions and by foreign exchange policies, among other things. It is difficult to predict how market forces or government policy may impact the exchange rate between Renminbi and the Hong Kong dollar or U.S. dollar in the future. The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to complete filings with and obtain approvals from the State Administration of Foreign Exchange of the PRC (the “SAFE”) before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

RISK FACTORS

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We may be unable to obtain or maintain adequate intellectual property protection for our drug candidates and technologies.

Our success depends in large part on our ability to protect our proprietary technologies and drug candidates from competition by obtaining, maintaining, defending, and enforcing robust IP rights, including patents, in key jurisdictions such as China and the U.S. If we fail to secure or maintain adequate IP protection, or if the scope of such rights is not sufficiently broad, our IP may be challenged, invalidated, or circumvented, allowing competitors to develop and commercialize similar or competing products, which could materially harm our business, financial condition and prospects.

The patent prosecution process is expensive, time-consuming, and complex, and we may not be able to file, prosecute, maintain, defend, or enforce all necessary or desirable patents at a reasonable cost or in a timely manner across all relevant jurisdictions. The requirements for patentability vary across jurisdictions, and some regions have compulsory licensing laws or limited enforceability against government agencies or contractors, which could diminish the value of our patents or force us to grant licenses to third parties, impairing our competitive position. Patents may be invalidated, and patent applications may not be granted due to prior art, deficiencies in the application, or lack of novelty. For instance, third parties may submit prior art to patent offices like the CNIPA, USPTO, or EPO, or we may face post-grant proceedings such as oppositions, re-examinations, or interferences, which could narrow, invalidate, or render our patents unenforceable, allowing competitors to commercialize similar technologies or products without compensation to us.

There is no assurance that our pending patent applications will be granted or that issued patents will provide meaningful protection. If the scope of our IP protection is inadequate, competitors may develop non-infringing alternatives to circumvent our IP. Additionally, breaches of confidentiality agreements by employees, collaborators, contract manufacturers, consultants, or other third parties could compromise our ability to secure patent protection. In jurisdictions with a “first-to-file” system, such as China and the U.S., our patent applications may be denied if a third party files first for similar inventions. Under PRC patent law, failure to comply with confidentiality examination requirements for foreign patent filings could prevent us from obtaining patent rights in China.

Our IP rights in certain jurisdictions may have a lesser or different scope and strength compared to our target markets. In regions where we do not pursue or obtain patent protection, competitors may use our technologies to develop and market competing drugs, potentially exporting them to jurisdictions where we have patents but enforcement is weak due to varying legal systems. Many jurisdictions, particularly some developing countries, have legal systems that do not favor the enforcement of patents, trade secrets, or other IP protections, making it difficult to prevent infringement or marketing of competing drugs in violation of our rights.

The duration of patent protection is limited, and third parties may circumvent our patents by developing non-infringing similar or alternative products or may compete directly by commercializing similar or identical products after our patents expire.

The duration of patent protection is limited. In China, invention patents, design patents, and utility model patents, if maintenance fees are paid timely, are valid for 20 years, 15 years, and 10 years from the filing date, respectively, with potential extensions for invention patents under the PRC Patent Law. In the U.S., patents generally last 20 years from the earliest non-provisional filing date to which the patent claims priority, with possible extensions under the Hatch-Waxman Amendments, which allow up to five years of extension, not exceeding 14 years from product approval. Manufacturers of generic or biosimilar products may challenge the scope, validity, or enforceability of our patents in courts or patent offices, and we may not succeed in defending these rights, preventing exclusive development or marketing of our products and materially impacting potential sales.

RISK FACTORS

The lengthy timelines for development, testing, and regulatory review may cause patents protecting our drug candidates to expire before or shortly after commercialization, particularly without patent linkage or term extensions. Authorities like the NMPA, the FDA, or USPTO may deny or grant more limited extensions than requested, reducing our protection period. Some patents may be co-owned with third parties, and without exclusive licenses, co-owners could license rights to competitors, who may market competing products. We may also lack cooperation from co-owners to enforce patents. As of the Latest Practicable Date, we did not have any patents that were co-owned with third parties and not subject to our exclusive licensing arrangements. Upon patent expiration, we cannot assert patent rights, allowing competitors to commercialize similar products.

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

Competitors or third parties may challenge the validity or enforceability of our patents or infringe, misappropriate, or otherwise violate our IP rights. To counter such actions, we may need to initiate litigation to enforce our rights, protect our trade secrets, or determine the scope and validity of our or others' proprietary rights, incurring significant costs and diverting management, scientists, and technical personnel from their normal responsibilities. Many competitors have greater resources to sustain prolonged litigation, potentially outlasting our capacity to defend our rights. We may not prevail in lawsuits we initiate, and any damages or remedies awarded, if any, may not be commercially meaningful.

Conversely, third parties may assert claims against us, alleging that we infringe or violate their patents, trade secrets, or other IP rights. Defending them could be costly and time-consuming, and a court may find third-party patents valid and infringed, potentially blocking our ability to develop or commercialize our drug candidates unless we obtain a license or until the patents expire. Public announcements during litigation, such as hearing outcomes or rulings, could be perceived negatively by investors or analysts, diminishing the perceived value of our drug candidates or causing our Share [REDACTED] to decline, while also harming our reputation.

Additionally, the substantial discovery required in IP litigation risks the disclosure of our confidential information, which could further compromise our competitive position. We may also face claims from former employees, collaborators, consultants, or other third parties asserting ownership or co-inventorship of our patents, patent applications, or other IP, particularly if disputes arise from conflicting obligations. For example, a former employee of us is claiming inventorship and ownership of a patent regarding MH004 in a lawsuit pending in a court in Shanghai, China. Litigation to resolve these claims could result in significant costs, loss of exclusivity, or restrictions on our ability to develop, manufacture, or commercialize our drug candidates without infringing third-party rights. Such challenges could also deter potential collaborators from licensing or partnering with us. The uncertainties associated with IP litigation could impair our ability to raise funds for clinical trials or research programs.

Our patents could be found invalid or unenforceable, and unfavorable outcomes in intellectual property litigation could limit our ability to develop or commercialize our drug candidates.

Our issued patents or pending patent applications covering our drug candidates or technologies could be challenged, invalidated, or deemed unenforceable in courts or administrative proceedings. For example, if we initiate legal action to enforce a patent against a third party for infringement, the defendant could counterclaim that our patent is invalid or unenforceable due to issues such as lack of novelty, obviousness, or non-enablement, or allege that material information was withheld or misrepresented during prosecution before the CNIPA, USPTO, or other patent offices. The outcome of such challenges is unpredictable. If a third party prevails in asserting invalidity or unenforceability, we could lose some or all patent protection for a drug candidate, allowing competitors to develop or commercialize similar products without payment to us. Even if we succeed in establishing infringement, courts may limit remedies to monetary damages rather than granting injunctions, which may not adequately protect our interests. In addition, third parties may claim that we infringe or misappropriate their IP rights, potentially barring us from using certain technologies or commercializing our drug candidates unless we obtain a license or until their patents expire. Defending or prosecuting such claims is costly, time-consuming, and may distract management and scientific personnel. An unfavorable outcome could result in significant damages, loss of IP rights, or restrictions on our ability to develop or commercialize our drug candidates, dissuading potential collaborators from licensing or partnering with us.

RISK FACTORS

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

Our ability to build brand recognition in our markets of interest relies on securing and maintaining robust trademark protection. We hold issued trademark registrations and have pending applications, which may face governmental or third-party objections that could prevent registration or maintenance. During trademark registration proceedings before the CNIPA, USPTO, or comparable agencies, we may receive rejections and may not be able to overcome them through responses or other actions. Third parties may also oppose pending applications or seek to cancel registered trademarks, and our trademarks may not survive such proceedings. If we fail to obtain or maintain trademark protection for our primary brands, we may need to change our brand names, potentially disrupting our market presence and materially adversely affecting our business.

As our products mature, our reliance on trademarks to differentiate from competitors will increase. If we cannot prevent third parties from adopting, registering, or using trademarks or trade dress that infringe, dilute, or violate our trademark rights, or engaging in unfair competition or defamation, our brand identity and business could be materially harmed. Competitors or third parties may adopt similar trade names or trademarks, impeding our ability to build brand recognition and possibly causing market confusion. Additionally, owners of other registered trademarks or marks incorporating variations of our trademarks or trade names could bring infringement claims against us. Over time, failure to establish strong name recognition could weaken our competitive position.

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

We rely on our trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. We seek to protect our trade secrets and confidential information, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to them, such as our employees, collaboration partners, sponsored researchers, contract manufacturers, consultants, advisers and other third parties. However, these agreements may not effectively prevent unauthorized disclosure or use of our trade secrets and confidential information. Any of the parties with whom we enter into confidentiality agreements may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies. Additionally, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Enforcing claims against parties who illegally disclosed or misappropriated our trade secrets can be difficult, expensive and time-consuming, and remedies, if any, may be inadequate. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be adversely affected.

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

Our employees, consultants, and advisors, including senior management, may currently be or have been previously employed at other companies, including competitors or potential competitors, and may have executed proprietary rights, non-disclosure, and non-competition agreements with those employers. We may face claims alleging that we or these individuals have wrongfully used or disclosed trade secrets or other proprietary information of their current or former employers. We are not aware of any threatened or pending claims related to these matters, but future litigation may be necessary to defend against such claims. If we fail to defend these claims, we could face monetary damages or lose valuable IP rights. Also, such litigation could result in substantial costs and distract our management and employees.

RISK FACTORS

We may be unsuccessful in securing agreements assigning IP to us with every relevant employee, consultant and contractor involved in developing IP, and such agreements may not be self-executing or may be breached, leading to disputes over ownership of what we consider our IP. Individuals may also have pre-existing or competing obligations to third parties, such as academic institutions, rendering our assignment agreements ineffective. Furthermore, former employees, consultants, or third parties may claim ownership of our owned or licensed patents or applications. An adverse outcome in such disputes could result in loss of exclusivity, narrowed or invalidated patent claims, or loss of freedom to operate, which would limit our ability to prevent others from using or commercializing similar drug candidates or technologies without payment to us. Such challenges could also prevent us from developing, manufacturing, or commercializing our drug candidates without infringing third-party rights. Litigation to resolve these issues could involve significant costs and divert management and scientific personnel.

Changes in intellectual property laws, regulations and policies in the jurisdictions where we operate could impair our ability to protect our drug candidates.

Our ability to protect our drug candidates and technologies relies on securing, maintaining, defending, and enforcing IP rights, particularly patents, in key jurisdictions such as China and the U.S, but changes in patent laws or their interpretation could increase uncertainties, raise costs, narrow patent scope, or reduce their value, materially impairing our competitive position and business. For example, China’s fourth Amendments to the PRC Patent Law (effective June 1, 2021) and its Implementing Rules (effective January 20, 2024) allow patent term extensions for third-party patents, potentially delaying our commercialization to avoid infringement; the U.S. America Invents Act’s “first-to-file” system and delayed publication of discoveries (often 18 months or not at all) create uncertainty about whether we were the first to file or invent, and U.S. Supreme Court rulings or future legislative changes may further limit patent protection, collectively hindering our ability to prevent competitors from developing similar products and adversely affecting our business, financial condition and prospects.

Non-compliance with patent agency requirements could reduce or eliminate our patent protection, allowing competitors to enter the market.

Our ability to obtain and maintain patent protection for our drug candidates depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, such as the CNIPA, USPTO, and other patent offices. These agencies mandate periodic maintenance fees, renewal fees, annuity fees, and other governmental fees, payable at multiple stages over the lifetime of a patent, along with adherence to procedural and documentary provisions during the patent application and maintenance processes. Non-compliance in certain cases, particularly where it is not remedied within the prescribed time limits, such as failing to respond to official actions within prescribed time limits, non-payment of fees, or failure to properly legalize and submit formal documents, can result in the abandonment or lapse of a patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdiction. Such events could enable competitors to enter the market with similar or identical products, materially adversely affecting our competitive position, business, financial condition and prospects.

RISKS RELATING TO OUR OPERATIONS

We may encounter difficulties in managing our growth and expanding our operations.

Our ability to successfully advance our drug candidates through clinical trials and achieve commercialization depends on effectively managing our growth. Expanding our operations requires significant additions to our managerial, operational, manufacturing, sales, marketing, and financial personnel, as well as enhanced relationships with third-party suppliers, contract organizations, and strategic partners. This growth imposes substantial responsibilities on our management, including: recruiting, integrating, and retaining qualified personnel; continued innovation in the competitive

RISK FACTORS

biopharmaceutical industry; managing our relationships with third parties; managing our internal development efforts effectively; and improving our operational, financial and management controls, reporting systems and procedures. If we fail to effectively manage this expansion, we may experience operational inefficiencies, weakened infrastructure, loss of business opportunities, reduced employee productivity, or loss of key personnel.

Our future success depends on our ability to retain key executives and to attract and retain other highly skilled professionals.

Our success depends significantly on the continued service of our senior management and key scientific, clinical and technical personnel, as well as our ability to attract, hire, retain and motivate qualified professionals in these areas. The loss of any senior management or key personnel, who may terminate their employment at any time despite formal agreements, could impede our research, development, and commercialization objectives, materially adversely affecting our business and results of operations. We also rely on consultants and advisors, including scientific and clinical experts, to formulate our discovery and development strategies, and their departure could further disrupt our efforts. We could experience difficulties in attracting and retaining qualified employees. Competition for qualified personnel in the biopharmaceutical industry is intense, with a limited pool of candidates possessing the necessary skills and experience. Rising staff costs in the global biopharmaceutical market may increase our expenses, yet still fail to ensure retention. We use salary, cash incentives, and share-based compensation that vest over time to retain employees, but the value of these equity grants may be insufficient if our Share [REDACTED] fluctuates. Replacing executive officers or key personnel may be difficult and time-consuming due to the specialized expertise required, potentially delaying drug candidate development or commercialization.

We are subject to the risks of operating in multiple jurisdictions.

As we conduct clinical trials and plan to commercialize our drug candidates in multiple jurisdictions, including China, the U.S. and other regions, we are subject to risks associated with global operations that could materially harm our business, financial condition, results of operations, and prospects. These risks include: changes in a country's or region's political, cultural, or economic conditions; geopolitical tensions; evolving local laws and regulations; economic stagnation or downturns; the burden of complying with diverse foreign laws; inadequate IP protection in certain jurisdictions; enforcement of anti-corruption and anti-bribery laws; trade-protection measures, import/export licensing requirements, tariffs, or penalties; delays from difficulties in obtaining export licenses, tariffs, or other barriers; and significant currency exchange rate fluctuations.

Rising geopolitical tensions and changes in international trade policies, such as U.S. proposals for tariffs on goods from China and other countries, could disrupt our clinical development, manufacturing processes, and supply chains. For example, the U.S. America First Investment Policy memo (February 21, 2025) and Outbound Investment Rule (effective January 2025) restrict investments and technology transfers in biotechnology, potentially limiting our access to capital, partnerships, or research capabilities in China. Similarly, U.S. Executive Order 14117 (effective April 8, 2025) restricts sensitive data transfers to countries like China, and future interpretations may impose compliance burdens, such as data anonymization. Proposed legislation like the U.S. BioSecure Act (2024) could further restrict market access or operations if expanded. These tensions and policies may also strain relationships with shareholders, suppliers, contract research organizations, or customers, hinder material imports/exports, or limit hiring of key personnel, reducing demand for our products or delaying commercialization. New tariffs, renegotiated trade agreements, or unfavorable policies could further increase costs or restrict market expansion, thereby materially adversely affect our business and financial performance.

RISK FACTORS

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could be expensive, time-consuming and unsuccessful, thereby may adversely affect our business, financial condition, results of operations and prospects.

We may face claims, disputes, litigation, arbitration, or other legal proceedings in the ordinary course of business, including those related to product liability, breach of contract, employment disputes, IP infringement, or regulatory enforcement. Such proceedings, whether initiated by us or against us, could be costly, time-consuming, and divert management’s attention and resources from core operations. Even claims or disputes that initially appear immaterial may escalate due to factors such as case circumstances, likelihood of loss, monetary stakes, or parties involved. Additionally, proceedings involving our counterparties, such as suppliers or CROs, may expose us to liabilities, and we may not secure timely or full indemnification, if at all. Any unfavorable outcomes or prolonged legal disputes could harm our reputation and financial performance, materially impacting our business and prospects.

Negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners may affect our reputation and may, as a result, negatively affect our business, financial condition and results of operations.

Our brand image is critical to our business success. Negative publicity or allegations involving us, our Shareholders, Directors, officers, employees, or business partners could damage our brand image and prospects. Such publicity, including perceived misconduct, unethical behavior, or regulatory non-compliance by us or our affiliates, could arise from disputes, lawsuits, regulatory investigations, or media coverage, and may undermine public confidence in our products and operations. Even general negative publicity about the biopharmaceutical industry, unrelated to our specific activities, could adversely affect our reputation. These events could impair our ability to maintain existing collaborations, attract new partners, or retain key employees, while also diverting management’s attention and resources to address allegations or remediate reputational harm. Regulatory inquiries or actions could lead to substantial compliance costs or operational disruptions. Negative perceptions could also reduce demand for our future products, hinder our development and commercialization efforts, and cause a decline in our Share [REDACTED]. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity, and we may not be able to diffuse such negative publicity to the satisfaction of our [REDACTED].

We may be subject to product liability lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability due to the clinical testing and potential future commercialization of our drug candidates in China, the U.S. and other jurisdictions. Such product liability claims may include allegations of defects in manufacturing, defects in design, failure to warn of inherent dangers, negligence, strict liability, or breaches of warranties, potentially under applicable consumer protection laws. If we cannot successfully defend against such claims, we may incur substantial liabilities, including monetary awards to trial participants or patients, or be required to limit or halt commercialization of our drug candidates. Liability claims may lead to: decreased demand for our products; damage to our reputation; withdrawal of clinical trial participants; initiation of regulatory investigations; costs to defend litigation; product recalls, withdrawals, or labeling, marketing, or promotional restrictions; loss of revenue; exhaustion of insurance and capital resources; inability to commercialize approved products; and a decline in our Share [REDACTED].

RISK FACTORS

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

We maintain insurance policies as required by PRC laws and regulations and consistent with industry practices to protect against operational risks and unexpected events in the biopharmaceutical industry. See “Business — Insurance” for details. However, our insurance coverage may be insufficient to cover all potential claims or liabilities. Any damage to, or caused by, our facilities, personnel, or operations that exceeds our insurance coverage could result in significant costs, require substantial compensation or damages, and divert management and resources from core activities.

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

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

The PRC authorities promulgated a series of laws and regulations governing the various aspects of cybersecurity and data security, personal information and privacy protection, including, among others, the Cybersecurity Law of the PRC, the Cybersecurity Review Measures, the Data Security Law of the PRC, the Personal Information Protection Law of the PRC, and the Civil Code of the PRC. Under the Personal Information Protection Law of the PRC, in case of any personal information handling, such individual prior consent shall be obtained, unless otherwise specified. Further, personal information handling activities that are in relation to the sensitive personal information including biometrics, medical health and personal information of teenagers under fourteen years old can only be conducted where such activities have a specific purpose, are highly necessary and strictly protective measures have been taken. In addition, assessment of data handlers’ provision of important data and personal information collected and generated in their operations within the territory of the PRC to overseas recipients, and require relevant data handlers to submit a data security assessment to the regulatory authority for review prior to the outbound data transfer activities in order to prevent illegal data transfer activities. The Standard Contract Measures for Personal Information Export (the “SCC Measures”) were promulgated by the CAC on February 22, 2023 and took effect on June 1, 2023. The SCC Measures attach the prescribed template for the standard contract on the cross-border transfer of personal information that could be used as an available option to satisfy the condition for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law.

In addition, certain industry-specific laws and regulations affect the collection and transfer of data in China. The Regulations on the Administration of Human Genetic Resources of the PRC (the HGR Regulation) was promulgated by the State Council in May 2019 and further amended in March 2024. It stipulates that foreign organizations, individuals, and the entities established or actually controlled by foreign organizations or individuals are forbidden to collect, preserve and export China’s human genetic resources. Foreign organizations and the entities established or actually controlled by foreign organizations or individuals may only utilize and be provided with China’s

RISK FACTORS

human genetic resources after satisfaction of all regulatory requirements, such as (i) China’s human genetic resources being utilized only in international collaboration with Chinese scientific research institutions, universities, medical institutions, and enterprises for scientific research and clinical trials after completion of requisite approval or filing formalities with competent governmental authorities, and (ii) China’s human genetic resources information being provided after required security review, filing and information backup procedures have been gone through. In October 2020, the SCNPC promulgated the Biosecurity Law of the PRC, which became effective in April 2021 and later amended in April 2024. The Biosecurity Law of the PRC reaffirms the regulatory requirements stipulated by the HGR Regulation while potentially increasing the administrative sanctions where China’s human genetic resources are collected, preserved, exported or used in international collaboration in violation of applicable laws. The interpretation and implementation of the HGR Regulation and the related laws and regulations may vary from time to time.

Numerous U.S. federal and state laws and regulations relate to the privacy and security of personal information. In particular, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996, or HIPAA, establish privacy and security standards that limit the use and disclosure of individually identifiable health information, known as “protected health information,” and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Determining whether protected health information has been handled in compliance with applicable privacy standards and our contractual obligations may require complex factual and statistical analyses and may be subject to changing interpretation. Our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance or other malicious or inadvertent disruptions. Any such breach or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, manipulated, publicly disclosed, lost or stolen. Any such access, breach or other loss of information could result in legal claims or proceedings, and liability under federal or state laws that protect the privacy of personal information, such as the HIPAA, the Health Information Technology for Economic and Clinical Health Act, and regulatory penalties. Notice of breaches must be made to affected individuals, the Secretary of the Department of Health and Human Services, and for extensive breaches, notice may need to be made to the media or State Attorneys General. Such a notice could harm our reputation and our ability to compete.

Complying with all applicable laws, regulations, standards and obligations relating to data privacy, security, and transfers may cause us to incur substantial operational costs or require us to modify our data processing practices and processes.

In addition, our clinical trials also frequently involve professionals from third-party institutions working on-site with our staff and enrolled subjects. We cannot ensure that such persons will always comply with our data privacy measures. We also collaborate with third parties including principal investigators, hospitals, CROs, CDMOs, and other third-party contractors and consultants for our clinical trials and operations. Any leakage or abuse of patient data by our third-party partners may be perceived by the patients as our fault, negligence or a result of our failure. Furthermore, any change in such laws and regulations could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the “Scientific Data Measures”), which provides a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which

RISK FACTORS

such researcher is affiliated before such data may be published in any foreign academic journal. Given the term state secret is not clearly defined, if and to the extent our research and development of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant government authorities, we cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad or to our foreign partners in China. If we are unable to obtain necessary approvals in a timely manner, or at all, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, financial condition, results of operations and prospects. If the relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities. In addition, according to the Administration of Human Genetic Resources (《人類遺傳資源管理條例》) promulgated in May 2019 and the PRC Biosecurity Law (《中華人民共和國生物安全法》) promulgated in October 2020, if any scientific data falls within the scope of Chinese human genetic resources, any transfer of such data outside of China will be subject to the relevant filing, information backup, security review, approval or other procedures with administrative department of health under the State Council in accordance with applicable laws and regulations. There can be no assurance that we will be able to complete such procedures or obtain the requisite approvals in a timely manner, or at all.

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

We may pursue acquisitions or strategic partnerships, including licensing or acquiring complementary products, IP, technologies, or businesses, to support our growth. Such transactions could involve significant risks, including: increased operating expenses and cash requirements; assumption of additional indebtedness or unforeseen liabilities; issuance of equity securities; assimilation of operations, IP and products of an acquired company, including difficulties associated with integrating new personnel; diversion of management’s attention from existing programs; loss of key employees and uncertainties in maintaining key business relationships; risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or drug candidates and regulatory approvals; and our inability to generate revenue from acquired technology or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

With limited acquisition experience, we may struggle to identify attractive targets or expend significant time and resources without successfully acquiring them. Integration of an acquired company, its IP, or technology into our operations is complex, time-consuming, and expensive, requiring retention of key management and personnel, coordination of research and development, consolidation of facilities, and support for supplier, distribution, and customer relationships. Geographic distances, technological complexities, and disparate corporate cultures may exacerbate these difficulties, while competitors may recruit key employees or attract customers during integration. For investments or partnerships where we lack management and operational control, we may be unable to influence outcomes to meet strategic goals. Issuing dilutive securities, incurring debt, or acquiring intangible assets could lead to significant amortization expenses.

We may be directly or indirectly subject to applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in relevant jurisdictions.

Our operations and arrangements with clinical site investigators, healthcare professionals, consultants, third-party payors, and potential customers in China, the U.S, and other jurisdictions may expose us to anti-kickback, false claims, physician payment transparency, fraud and abuse, and anti-bribery laws, including China’s anti-bribery regulations and the U.S. Foreign Corrupt Practices Act (FCPA). These laws, which regulate our sales, marketing, and financial relationships, could

RISK FACTORS

constrain how we develop, market, and distribute our drug candidates, if approved, particularly as we seek approvals from the NMPA, the FDA, or other authorities. Ensuring compliance with these complex and sometimes ambiguous regulations, including U.S. federal and state laws like the Anti-Kickback Statute, False Claims Act, and Federal Physician Payment Act, requires substantial costs. Non-compliance by third parties we engage, such as physicians or collaborators, could result in sanctions, like exclusion from government-funded programs, adversely affecting our business relationships.

We are subject to social insurance and housing provident fund regulations.

Under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), we are required to make contributions to social insurance and housing provident funds for our employees. See “Regulatory Overview — Regulations on Employment and Social Welfare” for details. Pursuant to the regulations, each employer shall declare and pay social insurance contributions and housing provident funds on time and in full. Contributions made through third-party accounts may not be viewed as contributions made by the employer. As of the Latest Practicable Date, we had not received any notifications or been subject to any material penalties arising from the noncompliance with social insurance or housing provident fund regulations.

We are subject to risks associated with our leased properties.

We lease some of our offices and facilities in China. Pursuant to the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. In practice, as the filing of the lease agreements requires the coordination of both lessors and lessees, we cannot assure you that the lessors will collaborate and complete the registration in a timely manner. As of the Latest Practicable Date, our lease agreements in China had not been registered. Although failure to register the lease agreements does not in itself invalidate the leases, we may not be able to defend these leases against bona fide third parties, which may negatively affect our ability to operate our business covered under those leases. In addition, we may be required by relevant PRC governmental authorities to register such lease agreements within a prescribed timeframe, and failure to do so may subject us to fines. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease agreement. As of the Latest Practicable Date, we had not been subject to any material penalties arising from the non-registration of lease agreements. However, we cannot assure you that we would not be subject to any penalties and/or requests from the relevant governmental authorities to fulfill the registration requirements. As our leases expire, we may face difficulties renewing them on commercially acceptable terms, or at all. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations, or financial condition.

We may be subject to natural disasters, health epidemics, acts of war, terrorism, and other force majeure events beyond our control.

Natural disasters, acts of war, terrorism, or other force majeure events beyond our control may adversely affect the economy, infrastructure, and livelihood of people in the regions where we conduct our business. Our operations and those of our third-party research collaborators, suppliers, contractors, and consultants may face threats from natural disasters such as floods, earthquakes, sandstorms, snowstorms, fires, or droughts, widespread health epidemics like swine flu, avian influenza, severe acute respiratory syndrome (SARS), Ebola, or Zika, or other force majeure events, including power, water, or fuel shortages, or failures, malfunctions, or breakdowns of information management systems, unexpected maintenance or technical problems, or potential wars or terrorist attacks. These events could severely disrupt our business operations, and cause loss of life, injury, asset destruction, or temporary closure of our facilities.

RISK FACTORS

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Uncertainties in the legal systems of jurisdictions where we operate could adversely affect our business, financial condition and results of operations.

We are subject to uncertainties embedded in the legal systems of some geographic markets where we operate. Some jurisdictions have a civil law system based on written statutes, while others rely on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. Recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementation, and their application to our business remains unsettled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection available in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce contractual rights or claims. Additionally, regulatory uncertainties in different jurisdictions may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats to extract payments or benefits from us.

Furthermore, many legal systems in these markets are partly based on government policies and internal rules, some of which are not published timely or at all and may have retroactive effects. In some cases, key regulatory definitions are unclear or unpublished. As a result, we may not be aware of a violation of certain policies or rules until after the violation occurs. Administrative and court proceedings in certain markets may be protracted, resulting in substantial costs and diversion of resources and management attention. It is possible that new laws and regulations may be adopted or construed to apply to us in our geographic markets and elsewhere, impacting our business and operations. Increased scrutiny and regulation of the biopharmaceutical industry may require us to devote additional legal and other resources to compliance. Evolving or newly imposed laws and regulations in our geographic markets could hinder our industry’s growth and materially adversely affect our business, financial condition and results of operations.

China’s economic, political and social conditions, as well as government policies, could affect our business, financial condition and results of operations.

A substantial portion of our business, assets, and operations are located in China. Accordingly, our financial condition, results of operations, and business prospects are significantly influenced by China’s economic, political, and social conditions and legal developments. The Chinese economy differs from many other jurisdictions and has experienced significant growth over recent decades since the implementation of the reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing market-driven economic reforms and sound corporate governance practices for business enterprises. These economic reform measures may be adjusted adaptively across industries or regions. Changes in China’s business environment may also materially and adversely affect our business, financial condition and results of operations.

Changes in laws and regulations relating to the biopharmaceutical industry, including the ongoing healthcare reform in China, may result in additional compliance risks and costs.

In China, the U.S. and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes relating to the biopharmaceutical industry and the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved drugs and affect our ability to profitably sell any drug candidates for which we obtain marketing approval.

In particular, the PRC government has enacted a series of new laws and regulations in recent years aimed at improving the affordability and deterring potential over-use of oncology drugs. In December 2020, for instance, the National Health Commission (the “NHC”) released the Notice on the Temporary Measures Regulating the Clinical Use of Oncology Drugs, followed by more detailed guidance announced in its Measurement Criteria for the Reasonable Clinical Use of Oncology

RISK FACTORS

Drugs (2021 Version) in June 2021 (“Oncology Drug Guidance”), according to which several factors will be considered to evaluate whether the oncology drugs, especially “restricted class drugs,” are under reasonable use by the medical institutions, in terms of usage rate and amount, among other criteria. The Oncology Drug Guidance sets out to designate antitumor drugs as “restricted class drugs” if they, among other characteristics, exhibit a poor safety profile, require sophisticated clinical administration, new to the market or prohibitively priced. If our oncology drug candidates are categorized as “restricted class drugs” after commercialization, we may face a decreased demand from the medical institutions and patients, which may adversely affect the commercialization and marketing of such drug candidates. These new laws, regulations and healthcare reform measures and others which may be adopted in the future may result in more rigorous prescription and coverage criteria, new reimbursement methods and additional downward pressure on drug prices.

These legislative trends and regulatory measures can potentially affect the sales, profitability and prospects of our drug candidates in the future. Moreover, because these laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices.

We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in negative tax consequences to us and our shareholders.

Under the Corporate Income Tax Law of the PRC (the “CIT Law”), an enterprise established outside of China with “de facto management bodies” within China is considered a “resident enterprise,” meaning that it will be treated in a manner similar to a Chinese enterprise for PRC enterprise income tax purposes. The Circular of the State Taxation Administration (the “STA”) on Issues Concerning the Identification of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their De Facto Management Bodies issued by the STA on April 22, 2009 and partially abolished in December 2017, or Circular 82, provides certain specific criteria for determining the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by foreigners like us as of the Latest Practicable Date, the criteria set forth in the Circular 82 may reflect the STA’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. Under Circular 82, an offshore enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management and their work location is in the PRC; (ii) decisions relating to the enterprise’s financial and human resources matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. On July 27, 2011, the STA issued Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial), or Bulletin 45, which became effective on September 1, 2011 and as amended in 2015, 2016 and 2018, to provide further guidance on the implementation of Circular 82. Bulletin 45 clarifies certain issues related to determining PRC resident enterprise status, including which the competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration.

We believe neither our Company nor any of our non-PRC subsidiaries is a PRC resident enterprise for PRC enterprise income tax purposes. Despite the foregoing, the STA may take the view that the determining criteria set forth in Circular 82 and Bulletin 45 reflect the general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. Additional implementing regulations or guidance may be issued pursuant to which we or any of our subsidiaries incorporated outside of the PRC may be considered a “resident enterprise” for PRC enterprise income tax purposes. If the PRC tax authorities determine that we or any of our subsidiaries incorporated outside of the PRC is a resident enterprise for PRC enterprise income tax purposes, unfavorable PRC tax consequences could follow. We and our non-PRC subsidiaries may be subject to enterprise income tax at a rate of 25% on our worldwide

RISK FACTORS

taxable income, as well as to PRC enterprise income tax reporting obligations. The CIT Law and its implementing rules issued by PRC tax authorities provide that dividends paid by us to our non-PRC shareholders and, while less clear, capital gains recognized by them with respect to the sale of our Shares may be subject to tax of 10% for non-PRC resident enterprise shareholders and 20% for non-PRC resident individual shareholders. In the case of dividend payments, such PRC tax may be withheld at source by us. Whether non-PRC shareholders of our Company would be able to obtain the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise may be subject to further interpretation and implementation. Any such tax may reduce the returns on your [REDACTED] in our Shares.

Governmental regulations on currency exchange may affect us.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency into and out of China are subject to PRC foreign exchange regulations. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

In July 2014, SAFE promulgated the Circular of the SAFE on Foreign Exchange Administration of Equity Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (“Circular 37”). Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals with a habitual residence in China due to economic interests) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as changes of the offshore special purpose vehicle’s name and operational term, or any significant changes with respect to the PRC individual shareholder, such as the increase or decrease of capital contributions, share transfer or exchange, or mergers or divisions. Circular 37 is applicable to our shareholders who are PRC residents. If our shareholders who are PRC residents fail to make the required registration or to update the previously filed registration, our PRC subsidiaries may be prohibited from distributing their profits or the proceeds from any capital reduction, share transfer or liquidation to us, and we may also be prohibited from making additional capital contributions into our PRC subsidiaries. In February 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (“Notice 13”), effective from June 2015, and further amended by SAFE on December 30, 2019. Under Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE. We cannot assure you that all our Shareholders will at all times comply with the registration procedures as required under these regulations. The failure or inability of the relevant shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries.

Any loans provided by our offshore holding companies to our PRC subsidiaries are subject to PRC regulations and such loans must be registered with the local branch of the SAFE. Additionally, if we finance such subsidiary by means of additional capital contributions, these capital contributions must be registered, reported or filed with certain government authorities, including the Ministry of Commerce (the “MOFCOM”), the State Administration for Market Regulation (the “SAMR”) and the SAFE or their local counterparts. We cannot assure you that we will be able to obtain these government registrations or approvals or to complete registration procedures on a

RISK FACTORS

timely basis, if at all, with respect to future loans or capital contributions by us to our subsidiaries or any of their respective subsidiaries. If we fail to obtain such approvals or registrations, our ability to make equity contributions or provide loans to our PRC subsidiaries or to fund their operations may be materially and adversely affected. This may materially and adversely affect our PRC subsidiaries’ liquidity, their ability to fund their working capital and expansion projects, and their ability to meet their obligations and commitments. As a result, this may have a material adverse effect on our business, financial condition and results of operations.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business or financial condition.

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity that may be paid by our subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our Shares and service any debt we may incur. If any of our subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends to our [REDACTED] or other obligations to our suppliers, or otherwise fund and conduct our business.

There might be uncertainties in effecting service of legal process, enforcing foreign judgments against us or our Directors and senior management personnel in the PRC.

We are a holding company incorporated as an exempted company in the Cayman Islands with substantially all of our assets located in Chinese Mainland. In addition, a majority of our Directors and senior management personnel reside within Chinese mainland. Therefore, it may be difficult for [REDACTED] to directly effect service of legal process upon us or our Directors and senior management personnel in the PRC.

On July 14, 2006, the Supreme People’s Court of the PRC and the government of Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned, or the Arrangement, which was taken into effect on August 1, 2008. Pursuant to the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant Hong Kong court or PRC court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a mainland court is expressly selected as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People’s Court and the Hong Kong SAR Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region, or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong SAR and the Chinese mainland. On January 29, 2024, the New Arrangement was declared effective jointly by the Supreme People’s Court of the PRC and the government of Hong Kong SAR, which has replaced the Arrangement. However, the New Arrangement does not apply to certain judgments of civil and commercial matters. Furthermore, there remain uncertainties as to the outcome of any applications to recognize and enforce such judgments and arbitral awards in the PRC.

RISK FACTORS

We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles of Association as well as the Cayman Companies Act and the common law of the Cayman Islands. The rights of shareholders to take action against the Directors, the rights of minority shareholders to institute actions and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those in Hong Kong and other jurisdictions. These differences may mean that the remedies available to the Company’s minority shareholders may be different from those they would have under the laws of Hong Kong or other jurisdictions. See “Appendix III — Summary of the Constitution of the Company and Cayman Islands Company Law” in this document for further information.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our Shares, and the [REDACTED] and [REDACTED] of our Shares may be volatile, which could lead to substantial losses to [REDACTED].

Prior to the completion of the [REDACTED], there has been no [REDACTED] for our Shares. There can be no guarantee that an active [REDACTED] for our Shares will develop or be sustained after completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the [REDACTED] at which our Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our Shares may drop below the [REDACTED] at any time after completion of the [REDACTED]. We have applied to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED] the Shares. A [REDACTED] on the [REDACTED], however, does not guarantee that an active and liquid [REDACTED] for our Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of our Shares will not decline following the [REDACTED].

The [REDACTED] and [REDACTED] of our Shares may be highly volatile due to factors beyond our control, including general market conditions in Hong Kong, China, the U.S. and other global securities markets. In particular, the performance of other companies with business operations mainly in Chinese mainland that have listed their securities in Hong Kong, some of which have experienced significant price volatility, may influence [REDACTED] sentiment towards our Shares, impacting their [REDACTED] performance regardless of our operating results. Business-specific factors, such as variations in our revenue, earnings, or cash flow, could also cause significant fluctuations in our Share [REDACTED] and [REDACTED]. Any of these factors may result in large and sudden change in the [REDACTED] and [REDACTED] of our Shares.

Future [REDACTED] or perceived [REDACTED] of our Shares by major Shareholders following the [REDACTED] could materially and adversely affect [REDACTED] and our ability to raise capital.

Future sales or perceived sales of substantial amounts of our Shares by major Shareholders after the [REDACTED] could significantly decrease the prevailing [REDACTED] of our Shares. Contractual and regulatory restrictions will limit the number of Shares available for sale or issuance immediately following the [REDACTED]. However, once these restrictions lapse or are waived, sales of significant amounts of our Shares in the [REDACTED], or the perception that such sales may occur, could materially reduce our Share [REDACTED] and impair our ability to raise equity capital on favorable terms in the future.

You will incur immediate dilution and may experience further dilution if we issue additional Shares or other equity securities in the future.

The [REDACTED] of our Shares in the [REDACTED] exceeds the net tangible asset value per Share immediately prior to the [REDACTED], resulting in immediate dilution in the [REDACTED] net tangible asset value for [REDACTED]. Existing Shareholders, conversely, may experience an increase in the net tangible asset value per Share of their holdings. To support our business expansion or meet future financing needs, we may issue additional Shares or other equity securities. Such issuances, especially if not offered on a pro-rata basis to existing Shareholders, could further dilute the ownership percentage, earnings per Share, and net asset value per Share of existing Shareholders, potentially adversely affecting the value of your [REDACTED].

RISK FACTORS

We could not assure you that we will declare and distribute any amount of dividends in the future.

We currently intend to retain most, if not all, of our available funds and future earnings to support the development and growth of our business. As a result, [REDACTED] should not rely on our Shares as a source of dividend income. See “Financial Information — Dividend” for details of our dividend policy. Under Cayman Islands law, our Board has discretion to declare dividends, subject to restrictions that dividends may only be paid out of profits or share premium, provided that such payments do not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our Shareholders may declare dividends by ordinary resolution, but no dividend may exceed the amount recommended by our Board. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your [REDACTED] in our Shares will likely depend primarily upon any future [REDACTED] appreciation of our Shares. There is no guarantee that our Shares will [REDACTED] in value or even maintain the [REDACTED] at which you [REDACTED] the Shares. You may not realize a return on your [REDACTED] in our Shares, and you may even lose your entire [REDACTED] in our Shares.

We could not make fundamental changes to our business without the consent of the Stock Exchange.

On April 30, 2018, the Stock Exchange adopted rules under Chapter 18A of the Listing Rules. Under these rules, without the prior consent of the Stock Exchange, we may not effect any acquisition, disposal, or other transaction or arrangement, or a series of acquisitions, disposals, or other transactions or arrangements, that would result in a fundamental change in our principal business activities as described in this document. As a result, we may be unable to pursue certain strategic transactions that we might otherwise choose to undertake in the absence of Chapter 18A. If our competitors, not subject to these [REDACTED] restrictions, capitalize on such opportunities, we may be placed at a competitive disadvantage, which could materially adversely affect our business, financial condition and results of operations.

Information and statistics in this document that were obtained from official government sources have not been independently verified.

This document, particularly the section titled “Industry Overview,” includes information and statistics about the pharmaceutical industry derived from official government sources. We believe these sources are appropriate and have taken reasonable care in extracting and reproducing such information. However, neither we, the Joint Sponsors, the [REDACTED], nor any of our or their respective directors, officers, or representatives, nor any other party involved in the [REDACTED], have independently verified this information, and no representation is made as to its accuracy or reliability. The collection methods for such data may be flawed, ineffective, or inconsistent with market practices, potentially leading to inaccuracies. In addition, the information may not be compiled on the same basis or with the same degree of accuracy as similar data presented elsewhere. In any event, you should exercise caution and avoid placing undue reliance on these statistics and information when evaluating an [REDACTED] in our Shares.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on information contained in press articles or other media regarding our Company or the [REDACTED]. Prior to and following the publication of this document, there may be press and media coverage about us, our business, our industry, or the [REDACTED]. Such coverage may include information, such as operating and financial data, projections, or valuations, that does not appear in this document. Neither we nor any other party involved in the [REDACTED] has authorized the disclosure of such information in the press or media, and we do not accept responsibility for the accuracy or completeness of such information or publications. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication. To the extent that any such information is inconsistent with or conflicts with the information in this document, we disclaim responsibility for it, and you should not rely on such information when making your [REDACTED] decision.