SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *In particular, we are a biotechnology company seeking a* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.*

There are unique challenges, risks and uncertainties associated with [**REDACTED**] *in companies such as ours.* ***In addition, our Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide, and we may continue to incur substantial costs and expenses in relation to R&D activities for our Core Product, and our pipeline products including our Core Product may not be successfully developed or marketed****. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

Founded in 2016, we are a biotech company focusing on the treatment of immune-inflammation diseases with locally-delivered targeted therapies. We specialize in chronic inflammatory disease treatment, aiming to provide comprehensive solutions that achieve efficacy, safety and long-term patient satisfaction.

Our portfolio of product candidates comprise of self-developed small molecule drugs, including our Core Product PG-011 (Pumecitinib), as well as three other innovative drug candidates and five generic drug candidates. Our late-stage Core Product PG-011 (Pumecitinib) is a small molecule JAK1/2 inhibitor, and is being developed in two dosage forms, namely Pumecitinib gel for mild-to-moderate atopic dermatitis and Pumecitinib nasal spray for moderate-to-severe allergic rhinitis as lead indications. Our other proprietary drug candidates include PG-033 tablets for pruritus, PG-018 tablets for autoimmune kidney diseases, PG-040 ophthalmic solution for glaucoma, as well as five generic drug candidates targeting multiple chronic inflammatory diseases.

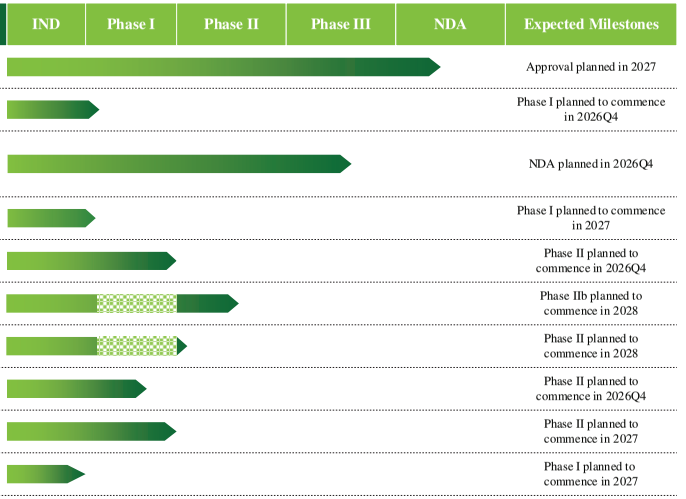
THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCT OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

Our Product Pipeline

As of the Latest Practicable Date, our product pipeline comprised four proprietary drug candidates covering 10 indications, as well as five generic drug candidates targeting multiple chronic inflammatory diseases, all of which are self-developed.

The following chart illustrates our drug pipeline and summarizes the development status of our clinical-stage drug candidates as of the Latest Practicable Date:

Pipeline	Origin	Target(s) and Classification	Indication(s)	Dosage Form	Clinical Regimen	Commercial Rights	Competent Authority	R&D/Commercial Partner	Expected Milestones
PG-011★ (Pumecitinib)	Self-Developed	JAK1/2 inhibitor (small molecule)	mild-to-moderate AD (adults, adolescents aged 12 to 17)	Gel	Monotherapy	Global[4]	NMPA	Hospitals, CRO, SMO, CMO	Approval planned in 2027
			mild-to-moderate AD (children aged two to 11)	Gel	Monotherapy	Global[4]	NMPA	CRO	Phase I planned to commence in 2026Q4
			moderate-to-severe SAR (adults)	Nasal Spray	Monotherapy	Global[5]	NMPA	Hospitals, CRO, SMO, CMO, Commercial Cooperation Organizations	NDA planned in 2026Q4
			moderate-to-severe SAR (adolescents aged 12 to 17)	Nasal Spray	Monotherapy	Global[5]	NMPA	/	Phase I planned to commence in 2027
			PAR (adults)	Nasal Spray	Monotherapy	Global[5]	NMPA	Hospitals, CRO, SMO, CMO	Phase II planned to commence in 2026Q4
			PN[1]	Gel	Monotherapy	Global[4]	NMPA	Hospitals, CRO, SMO, CMO	Phase IIb planned to commence in 2028
			NSV[2]	Gel II[3]	Monotherapy	Global	NMPA	Hospitals, CRO, CMO	Phase II planned to commence in 2028
PG-033	Self-Developed	TRPV3 inhibitor (small molecule)	Pruritus (China)	Tablet	Monotherapy	Global	NMPA	Hospitals, SMO, CMO	Phase II planned to commence in 2026Q4
PG-018	Self-Developed	JAK/ROCK inhibitor (small molecule)	Membranous Nephropathy	Tablet	Monotherapy	Global	NMPA	Hospitals, SMO, CMO	Phase II planned to commence in 2027
PG-040	Self-Developed	ROCK/JAK inhibitor (small molecule)	Glaucoma	Eyedrop	Monotherapy	Global	NMPA	CRO, CMO	Phase I planned to commence in 2027



Abbreviations: JAK: Janus kinase; ROCK: Rho-associated coiled-coil containing protein kinase; TRPV3: transient receptor potential vanilloid 3; AD: atopic dermatitis; SAR: seasonal allergic rhinitis; PAR: perennial allergic rhinitis; PN: prurigo nodosa; NSV: non-segmental vitiligo

★ = Core Product

(1) We completed a Phase I clinical trial of Pumecitinib gel for atopic dermatitis in November 2020, which proved the safety of Pumecitinib gel and laid the foundation for the clinical development of Pumecitinib for other indications, including prurigo nodosa. Based on the result of such Phase I clinical trial, we have received the IND approval for Phase II clinical trial for Pumecitinib gel for the indication of prurigo nodosa, with no additional Phase I clinical trial required.

(2) We completed a Phase I clinical trial of Pumecitinib gel (II) for atopic dermatitis in January 2024, which proved the safety of Pumecitinib gel (II) and laid the foundation for the clinical development of Pumecitinib for other indications, including NSV. Based on the result of such Phase I clinical trial, we have received the IND approval for Phase II clinical trial for Pumecitinib gel (II) for the indication of non-segmental vitiligo, with no additional Phase I clinical trial required.

(3) Represents a different formulation composition for Pumecitinib gel, which can further improve the transdermal permeation of the drug.

(4) We entered into an exclusive cooperation agreement regarding the future marketing and distribution of Pumecitinib gel with Jiangsu Simcere Pharmaceutical Co., Ltd. For details, see "Business — Major Collaboration and Licensing Agreements."

(5) We entered into an exclusive cooperation agreement regarding the future marketing and distribution of Pumecitinib nasal spray with Jumpcan Pharmaceutical Group Limited. For details, see "Business — Major Collaboration and Licensing Agreements."

Our Core Product: PG-011 (Pumecitinib) — a JAK1/JAK2 Inhibitor designed for topical use

PG-011 (Pumecitinib) is a small molecule inhibitor targeting JAK1/JAK2, specifically designed to be suitable for topical use. As of the Latest Practicable Date, we had completed a Phase IIb/III clinical trial of Pumecitinib gel for the treatment of mild-to-moderate atopic dermatitis in adults and adolescents aged 12 to 17. We submitted the NDA of Pumecitinib gel for such indication and was accepted by the NMPA in February 2026. We also completed the final dosing in a Phase IIb/III clinical trial of Pumecitinib nasal spray for moderate-to-severe SAR, and we are also actively exploring indication expansions for Pumecitinib, including PAR, prurigo nodularis and non-segmental vitiligo.

Pumecitinib gel: potentially the first JAK inhibitor gel for the treatment of atopic dermatitis

Pumecitinib gel can achieve comprehensive anti-inflammation effects to treat the symptoms of atopic dermatitis, while ensuring safety, long-term tolerance and patient compliance. It can address the medical needs arising from insufficient efficacy and undesirable adverse reactions of traditional topical drugs, significant systemic side effects of oral JAK inhibitors associated with high blood drug concentration, and greasiness of currently approved ointments.

Addressable market and competitive landscape: Atopic dermatitis is a recurring chronic inflammatory skin disease that needs long-term management. Currently, there are more than 74 million atopic dermatitis patients in China, of which over 90% are mild-to-moderate cases, with a relatively high proportion being pediatric patients. According to Frost & Sullivan, the market size for atopic dermatitis drugs in China was RMB13.2 billion in 2025, and is projected to reach RMB25.4 billion by 2028 and RMB48.4 billion by 2033. As of the Latest Practicable Date, three oral JAK1 inhibitors had obtained NMPA approval for treating moderate-to-severe atopic dermatitis in China, and 22 JAK inhibitor candidates for the treatment of atopic dermatitis were in clinical stages in China, of which 3 candidates are under NDA and 8 are in the Phase III clinical stage.

As potentially the first topical JAK inhibitor gel for treatment of atopic dermatitis upon approval, Pumecitinib gel demonstrates good efficacy in adult and adolescent mild-to-moderate atopic dermatitis patients. Compared with similar products under development in China, Pumecitinib gel shows promising results in all key efficacy endpoints. Based on clinical trial results, Pumecitinib gel is expected to achieve desirable efficacy level with relatively low systemic exposure, rendering it a suitable option for long-term maintenance treatment of chronic diseases such as atopic dermatitis.

Given Pumecitinib gel's advantages of the lower systemic absorption and skin-friendliness, its clinical application could be expanded to pediatric populations that require higher safety standards due to their thinner, more sensitive and delicate skin. We are currently planning to commence the Phase I clinical trial of Pumecitinib gel for the treatment of atopic dermatitis in children aged two to 11 years.

Pumecitinib nasal spray: potentially the first JAK inhibitor nasal spray for the treatment of seasonal allergic rhinitis

Pumecitinib nasal spray is potentially the first JAK inhibitor nasal spray for the treatment of SAR upon approval. The localized-delivery of JAK inhibitor enabled by nasal spray device offers a new treatment of allergic rhinitis. It is capable of simultaneously controlling nasal and ocular allergic symptoms, delivering a strong relief of symptoms while alleviating the side effects associated with systemic medications and/or localized application of hormones.

Addressable market and competitive landscape: There are currently approximately 248 million patients with allergic rhinitis in China. According to Frost & Sullivan, the market size for allergic rhinitis drugs in China was RMB5.3 billion in 2025, and is projected to reach RMB10.0 billion by 2028 and RMB23.6 billion by 2033. Currently, drugs approved for allergic rhinitis in

China include antihistamines, corticosteroids, leukotriene receptor antagonists and various intranasal preparations. As of the Latest Practicable Date, there were 25 drug candidates for allergic rhinitis in China, with Pumecitinib nasal spray being the only JAK inhibitor drug.

As potentially the first JAK inhibitor nasal spray for the treatment of SAR upon approval, Pumecitinib nasal spray pioneers a new non-steroidal treatment that simultaneously relieves both nasal and ocular symptoms. Clinical trial data show that it has the potential to provide a strong and effective treatment of allergic rhinitis, and is expected to bring a new treatment plan for the majority of rhinitis patients, including adults and adolescents.

Our Other Clinical-stage Pipeline Products

PG-033 tablets: oral small molecule TRPV3 inhibitor for treatment of pruritus

As a clinical-stage oral small molecule TRPV3 inhibitor, PG-033 is designed to block the pruritus signaling pathway and presents the potential of a new treatment plan for the common clinical symptom of pruritus (itchiness). It is designed to block pruritus signal mediated by multiple pro-inflammatory cytokines, and has demonstrated marked pruritus relief in pre-clinical studies, with the potential to benefit patients in clinical settings. In addition, PG-033 specifically inhibits the over-activation of TRPV3, which is the cause of Olmsted syndrome, a rare genetic disease.

Currently, we are advancing the Phase I clinical trial of PG-033, bringing a new treatment for pruritus patients who are not satisfied with existing therapies. It also brings hope for patients with the rare disease of Olmsted syndrome. We plan to further expand the indications for PG-033 to other types of pruritus and/or hyperkeratosis disorders.

Addressable market and competitive landscape: According to Frost & Sullivan, the number of chronic pruritus patients in China reached 262.0 million in 2024, and is expected to reach 266.8 million by 2028 and 272.7 million by 2033. As of the Latest Practicable Date, drugs approved in China for the treatment of pruritus mainly included second-generation antihistamines, most of which have been included in the centralized procurement. As of the Latest Practicable Date, there were 18 drug candidates for the treatment of pruritus in China, with PG-033 being the only TRPV3 inhibitor.

PG-018 tablets: dual-target inhibitor of JAK1 and endothelin receptor-related ROCK for treatment of autoimmune kidney diseases

PG-018 is a small molecule drug that selectively inhibits both JAK1 and endothelin receptor-related ROCK. Since there is currently no approved drug for membranous nephropathy globally, we believe PG-018 could potentially provide an effective treatment for the disease. Based on the acting mechanism of PG-018, it can also be applied to the treatment of other forms of immunological kidney diseases, such as IgA nephropathy.

Given its unique acting mechanism of targeting two pathways and high drug concentration in kidney tissue as demonstrated in pre-clinical studies, PG-018 is expected to achieve enhanced effects treating autoimmune kidney disease and offer a solution to the challenges of no approved therapy (for membranous nephropathy, for example) or insufficient efficacy with single agent therapies.

- PG-018 can inhibit abnormally activated immune function by acting on JAK1, and reduce blood pressure by acting on endothelin receptor-related ROCK. As such, it is expected to offer an effective treatment for autoimmune kidney diseases through strong synergistic effects.

- In pre-clinical studies, PG-018 has demonstrated the characteristic of kidney tissue-preferential distribution. This allows efficient accumulation of PG-018 molecules at renal lesion sites, enabling it to act more effectively on the target organ.

Currently, PG-018 is under Phase I clinical trial, and is expected to start Phase II clinical trial in 2027. It is expected to offer a new treatment option for autoimmune kidney disease patients to simultaneously inhibit abnormally activated immune function and lower blood pressure without combined medications.

Our Pre-clinical Pipeline Candidate

PG-040 ophthalmic solution: a ROCK-JAK dual-target inhibitor for treatment of glaucoma

PG-040 combines intra-ocular pressure ("**IOP**") reduction and anti-inflammation effects, thus achieving synergistic effect to better protect the optic nerve in glaucoma patients. It has potential advantages over existing glaucoma treatments, which mainly focus on IOP control while still facing challenges of progressive optic nerve damage, visual field defect and/or blindness.

We submitted an IND application of PG-040 for the treatment of glaucoma to the NMPA in May 2026. We expect to initiate a Phase I clinical trial of PG-040 in 2027.

Our Other Pre-clinical Pipeline Candidates

In addition to the clinical-stage pipeline products above, we are extending our pre-clinical pipeline to other chronic diseases such as urticaria, chronic kidney diseases, acute and chronic pain, metabolic and degenerative diseases, cardiovascular and cerebrovascular diseases, and wound healing disorders.

Our Generic Drug Pipeline Products

While actively promoting the development of innovative drugs, we also engage in generic drug research and development, building a more robust product matrix with a strategic focus on dermatological diseases through the combination of innovative and generic drugs.

Our R&D Platforms and Team

We have established and utilized a proven, integrated drug discovery and development system spanning target discovery, molecular discovery and evaluation, translational science and clinical development. Our technological capabilities include discovery of original molecular structures and new molecular entities, investigation of drug process and quality standards, as well as exploration of clinical development in all relevant stages. Our R&D platforms consist of: (i) a novel drug design and discovery platform; (ii) an immunology, inflammation and dermatology translational medicine platform; and (iii) a complex topical drug formulation innovation platform.

Our R&D team has strong expertise, deep understanding and extensive experience in drug development, spanning from biochemistry, molecular biology, structural biology, immunology, clinical medicine, pharmacology to pharmaceutical engineering. As of the Latest Practicable Date, we had 63 R&D personnel which accounted for 73.2% of our total full-time employees. Our R&D team is led by a team of distinguished scientists with extensive drug development experience, who lead our early research, clinical development, CMC, formulation development, pharmacology and toxicology studies, clinical registration, and project management. All of our core R&D personnel have extensive experience of over 15 years in the pharmaceutical industry, with expertise covering the fields of chemistry, biology, pharmacology and medicine.

For details of our R&D capabilities, platforms and team members, please refer to the paragraph headed "Business — Research and Development."

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- Forward-looking layout of multiple proprietary pipeline products;
- Considerable commercialization potential of our Core Product;
- Integrated full-chain drug R&D system with comprehensive technical capabilities covering the entire drug development lifecycle;
- Proprietary core technology platforms for sustained R&D momentum; and
- Experienced leadership and high-caliber team.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies:

- Advance the development progress of our Core Product and pipeline candidates;
- Prepare commercialization layout for our Core Product and future pipeline;
- Enrich our immune-inflammatory pipeline utilizing technology platforms; and
- Recruit, cultivate and retain talents to enrich team capabilities.

COLLABORATION WITH THIRD PARTIES

We collaborate with CROs to conduct and support our pre-clinical and clinical trials in line with industry practice. We also collaborate with CDMOs (including CMOs) to manufacture our drug candidates to supply for pre-clinical studies and clinical trials. We have established a comprehensive marketing authorization holder management system and have entered into quality agreements with our contract manufacturing partners.

During the Track Record Period, we collaborated with nine CDMOs (including CMOs) and 18 key CROs for major R&D activities, including certain leading suppliers of CRO and/or CDMO services in the relevant area. Given the large number of CROs and CDMOs (including CMOs) with which we have established collaboration relationships, we believe we do not have any material reliance on any specific CRO or CDMO.

We have formulated an adaptive commercialization strategy to accelerate the market penetration of our Core Product in the foreseeable future in China upon receiving relevant marketing approval. We plan to initially collaborate with industry-recognized contract sales organizations (CSOs) with experience in selling drugs, capitalizing on their extensive sales networks and distribution channels to facilitate rapid market entry and increase market coverage for our Core Product. In the long run, as we identify favorable market opportunities, we plan to assemble a dedicated in-house sales and marketing force with extensive experience in our focused therapeutic areas. As of the Latest Practicable Date, we had entered into an exclusive cooperation agreement with Jumpcan Pharmaceutical Group Limited regarding the marketing and distribution of Pumecitinib nasal spray and an exclusive cooperation agreement with Jiangsu Simcere Pharmaceutical Co., Ltd. regarding the marketing and distribution of Pumecitinib gel, each with respect to all approved indications for the relevant product.

For further details, please refer to the paragraphs headed "Business — Research and Development — Relationship with CROs," "Business — Manufacturing & Controls — Collaboration with CDMO Partners," "Business — Commercialization," "Business — Major Collaboration and Licensing Arrangements" and "Business — Our Suppliers."

INTELLECTUAL PROPERTY

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we held nine patents issued in China, 36 patents issued overseas (including two for which notices of allowance had been received), and 76 pending patent applications, of which two patents issued in China, nine patents issued overseas (including two for which notices of allowance had been received) and 13 pending patent applications were attributed to our Core Product PG-011 (Pumecitinib). As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that make us believe that any of the pending patent applications will be rejected. For further details on our intellectual property rights, please refer to the paragraph headed "Business — Intellectual Property."

OUR SUPPLIERS

During the Track Record Period, our major suppliers primarily consisted of CROs and CDMOs and we did not experience any material disputes with our suppliers. In addition, we believe that adequate alternative sources for such supplies exist, and we have developed alternative sourcing strategies for these supplies. We will establish necessary relationships with alternative sources based on supply continuity risk assessment.

For the year ended December 31, 2024 and 2025 and the four months ended April 30, 2026, our purchases from our five largest suppliers for each year/period in aggregate amounted to RMB32.1 million, RMB24.9 million and RMB5.9 million, representing 30.6%, 27.1% and 19.8% of our total corresponding purchases in the respective year/period, and our purchases from the largest supplier accounted for 11.0%, 7.7% and 5.9% of our total corresponding purchases for the respective year/period. Please refer to the paragraph headed "Business — Our Suppliers."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with our Historical Financial Information, including the accompanying notes, set forth in Appendix I to this document, as well as the information set forth in the section headed "Financial Information." Our historical financial information was prepared in accordance with IFRS Accounting Standards.

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

The following table sets forth our statements of profit or loss and other comprehensive income for the years/periods indicated.

	Year ended December 31,		Four months ended April 30,	
	2024	2025	2025	2026
			(unaudited)	
	(RMB in thousands)			
Other net income	11,220	36,296	860	5,998
(Impairment losses)/reversal of impairment losses on financial assets	(172)	499	(3)	(13)
General and administrative expenses	(40,753)	(46,993)	(13,110)	(27,841)
Research and development expenses	(146,207)	(128,436)	(36,252)	(54,492)
Loss from operations	**(175,912)**	**(138,634)**	**(48,505)**	**(76,348)**
Finance costs	(2,584)	(2,469)	(893)	(1,184)
Loss before taxation	**(178,496)**	**(141,103)**	**(49,398)**	**(77,532)**
Income tax	–	–	–	–
Loss for the year/period	**(178,496)**	**(141,103)**	**(49,398)**	**(77,532)**

For the year ended December 31, 2024 and 2025 and the four months ended April 30, 2025 and 2026, our loss for the year/period was RMB178.5 million, RMB141.1 million, RMB49.4 million and RMB77.5 million, respectively, primarily due to our substantial research and development expenses and general and administrative expenses.

During the Track Record Period, our research and development expenses consisted of (i) outsourced pre-clinical and clinical study expenses; and (ii) staff costs and share-based payments. For the year ended December 31, 2024 and 2025 and the four months ended April 30, 2025 and 2026, our research and development expenses were RMB146.2 million, RMB128.4 million, RMB36.3 million and RMB54.5 million, respectively. For the same periods, our research and development expenses for the Core Product were RMB88.7 million, RMB84.0 million, RMB22.0 million and RMB38.5 million, respectively, representing 60.7%, 65.4%, 60.6% and 70.6% of our total research and development expenses for the same periods, respectively. Our research and development expenses decreased by 12.2% from RMB146.2 million in 2024 to RMB128.4 million in 2025, primarily attributable to the decrease in research and development expenses relating to the clinical trials for Pumecitinib gel in line with the conclusion of the observation period for its Phase III clinical trial (for the indication of atopic dermatitis) in 2025. Our research and development expenses increased by 50.1% from RMB36.3 million for the four months ended April 30, 2025 to RMB54.5 million for the four months ended April 30, 2026, primarily reflecting our increased share-based payment to our R&D personnel under our 2021 Share Incentive Scheme as a result of the reduction in vesting period in 2026.

During the Track Record Period, our general and administrative expenses primarily consisted of staff costs, share-based payments to our management personnel, and professional service fees relating to our proposed listing on the Beijing Stock Exchange. Our general and administrative expenses increased by 15.3% from RMB40.8 million in 2024 to RMB47.0 million in 2025, primarily reflecting the [**REDACTED**] incurred in 2025 for the [**REDACTED**]. Our general and administrative expenses increased significantly from RMB13.1 million for the four months ended April 30, 2025 to RMB27.8 million for the four months ended April 30, 2026, primarily reflecting the professional service expenses incurred in connection with the [**REDACTED**] and the accelerated vesting of shares granted to our management personnel under our 2021 Share Incentive Scheme after the shortening of the service condition in 2026.

For details of our financial position, please refer to the paragraph headed "Financial Information — Description of Key Components of Our Statements of Profit or Loss and Other Comprehensive Income" in this document.

Summary of Statements of Financial Position

The following table sets forth our statements of financial position as of the dates indicated.

	As of December 31,		As of April 30,
	2024	2025	2026
		(RMB in thousands)	
Non-current assets	19,323	36,067	36,572
Current assets	248,337	208,533	221,080
Current liabilities	113,302	146,025	161,266
Net current assets	135,035	62,508	59,814
Total assets less current liabilities	154,358	98,575	96,386
Non-current liabilities	426	61,246	103,577
Net assets/(liabilities)	153,932	37,329	(7,191)

Our net current assets decreased from RMB135.0 million as of December 31, 2024 to RMB62.5 million as of December 31, 2025, and further decreased to RMB59.8 million as of April 30, 2026, primarily reflecting the cash consumed in our operations and R&D activities in 2025. Our net assets decreased from RMB153.9 million as of December 31, 2024 to RMB37.3 million as of December 31, 2025, and further decreased to net liabilities of RMB7.2 million as of April 30, 2026, primarily due to our loss for the relevant periods.

For details of our financial position, please refer to the paragraph headed "Financial Information — Discussion of Selected Items from Our Statements of Financial Position" in this document.

Summary of Statements of Cash Flows

The following table sets forth a summary of our statements of cash flows for the year/periods indicated.

	Year ended December 31,		Four months ended April 30,	
	2024	2025	2025	2026
			(unaudited)	
	(RMB in thousands)			
Net cash used in operating activities	(159,518)	(94,205)	(28,804)	(9,209)
Net cash (used in)/generated from investing activities	(40,154)	48,585	49,441	(82,716)
Net cash generated from/(used in) financing activities	259,621	46,804	(21,748)	28,770
Net increase/(decrease) in cash and cash equivalents	**59,949**	**1,184**	**(1,111)**	**(63,155)**
Cash and cash equivalents at January 1	129,704	189,653	189,653	190,837
Cash and cash equivalents at December 31/April 30	**189,653**	**190,837**	**188,542**	**127,682**

We recorded net operating cash outflows during the Track Record Period, as our product candidates are yet to be approved for commercialization and, as a result, we have not generated any revenue from the sale of products while incurring significant expenditures for the development of our pipeline products. For the year ended December 31, 2024 and 2025 and the four months ended April 30, 2025 and 2026, our net cash used in operating activities was RMB159.5 million, RMB94.2 million, RMB28.8 million and RMB9.2 million, respectively. As a clinical-stage biotechnology company, we plan to improve our net operating cash outflow position through the following ways: (i) accelerating the clinical development of our drug candidates and advancing them towards commercialization in the next few years, particularly our Core Product, PG-011 (Pumecitinib); (ii) adopting comprehensive measures to effectively optimize our cost structure and control our operating expenses; (iii) closely monitoring our payables settlement, thereby enhancing working capital management and improving our cash flow position, and (iv) successfully launching the [**REDACTED**] to obtain the [**REDACTED**].

Working Capital

The Directors are of the opinion that, taking into account the financial resources available to us, including (i) our existing cash and cash equivalents, (ii) available bank facilities, and (iii) the estimated [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to cover 125% of our cash expenditure for at least the next 12 months following the date of this document.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) capital expenditures for purchases of property and equipment and intangible assets; and (iii) principal and interest payments on lease liabilities. As of April 30, 2026, we had cash and cash equivalents of RMB127.7 million. Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low end of the indicative [**REDACTED**] range) and no exercise of the [**REDACTED**], we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**]. Assuming an average cash burn rate going forward of 1.3 times the level for the year ended December 31, 2025, we estimate that our cash and cash equivalents as of April 30, 2026 will be able to maintain our financial viability for over [**REDACTED**] months without taking into account the net proceeds from the [**REDACTED**], or, if taking into account such [**REDACTED**], over [**REDACTED**] months. Our Directors and management team will continue to monitor our working capital, cash flows, and our business development progress.

For details of our cash flows and working capital, please refer to the paragraph headed "Financial Information — Liquidity and Capital Resources" in this document.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks including those set out in the section headed "Risk Factors" in this document. As different [**REDACTED**] may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to [**REDACTED**] in our [**REDACTED**]. Some of the major risks that we face include:

- The regulatory approval process of the NMPA and other comparable regulatory authorities for our product candidates is lengthy and the result is unpredictable. We may not achieve favorable results for our drug candidates in clinical trials, and cannot give any assurance that any of our drug candidates currently in development will receive regulatory approval. Any failure to timely obtain these regulatory approvals could adversely affect our business prospects and profitability;

- The development process of innovative pharmaceutical products is typically lengthy, costly, and with uncertain outcome, and we may be unable to achieve the clinical development results of our drug candidates as we expect, or at all;

- We have no track record in launching and marketing drug candidates. If we are unable to further develop our marketing and sales capabilities or enter into agreements with third parties to market and sell our drug candidates, we may not be able to generate revenue from our drug candidates;

- If our competitors develop therapies that are similar, more advanced, or more effective than ours, or launch innovative products and therapies ahead of us, our financial condition and results of operations and our ability to successfully commercialize our drug candidates could be materially and adversely affected; and

- 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.

[**REDACTED**] INVESTMENTS

To support the development and operation of our business and other general working capital of our Company, we have received multiple rounds of [**REDACTED**] Investments since our establishment. Our broad and diverse base of [**REDACTED**] include investors dedicated to investment in biotech and healthcare sectors, among which Pharmaceutical Fund and Chongqing Xianfeng are Sophisticated Investors. Please refer to the paragraph headed "History, Development and Corporate Structure — [**REDACTED**] Investments" for details of our [**REDACTED**] Investments and the identity and background of our [**REDACTED**] Investors.

PREVIOUS PRC LISTING STATUS AND PLAN

Our Shares were quoted on the NEEQ from December 7, 2022 to December 22, 2025. We submitted application for A-share listing on the Beijing Stock Exchange on June 25, 2025 and withdrew such application on October 30, 2025. Please refer to the paragraph headed "History, Development and Corporate Structure — Previous PRC Listing Status and Plan" for further details.

CONTINUING CONNECTED TRANSACTION

We have entered into certain transaction which would constitute non-exempt continuing connected transaction under Chapter 14A of the Listing Rules after the [**REDACTED**]. Further particulars about such transaction together with the application for a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules are set out in "Continuing Connected Transaction" in this document.

OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, Mr. Li was entitled to exercise the voting rights attached to approximately 43.22% of the total issued share capital of our Company, among which, (i) Mr. Li (in his personal capacity) was interested in approximately 29.16% of our total issued share capital, and (ii) controlled approximately 14.06% of the voting rights of our Company through Chifeng Qingxi and Chifeng Mingquan, which held approximately 10.41% and 3.65% of our Shares, respectively.

Immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), Mr. Li, directly and indirectly through Chifeng Qingxi and Chifeng Mingquan, will be entitled to exercise the voting rights attached to Shares representing approximately [**REDACTED**]% of the issued share capital of our Company. Accordingly, Mr. Li, Chifeng Qingxi and Chifeng Mingquan are our Controlling Shareholders upon [**REDACTED**].

[**REDACTED**] STATISTICS

The statistics in the following table are based on the assumptions that [**REDACTED**] H Shares will be [**REDACTED**] pursuant to the [**REDACTED**], and the [**REDACTED**] is not exercised:

	Base on the [REDACTED] of HK$[REDACTED]	**Based on the [REDACTED] of HK$[REDACTED]**
[**REDACTED**] of our Shares[(1)]	HK$[**REDACTED**]	HK$[**REDACTED**]
[**REDACTED**] of our H Shares[(2)]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible assets per Share[(3)]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of [**REDACTED**] is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**].

(2) The calculation of market size of our H Shares is based on the [**REDACTED**] H Shares expected to be in issue immediately upon the completion of the [**REDACTED**], comprising [**REDACTED**] H Shares to be [**REDACTED**] under the [**REDACTED**] and [**REDACTED**] H Shares to be converted from Domestic Shares.

(3) The unaudited [**REDACTED**] adjusted net tangible assets per Share is arrived at after making the adjustments referred to in "Appendix II — Unaudited [**REDACTED**] Financial Information" and on the basis that [**REDACTED**] Shares were in issue immediately following the completion of the [**REDACTED**], without taking into account of any H Share which may be [**REDACTED**] and [**REDACTED**] upon the exercise of the [**REDACTED**].

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] expenses will be approximately HK$[**REDACTED**] (assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**]), which account for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**]. We estimate the [**REDACTED**] expenses to consist of approximately HK$[**REDACTED**] in [**REDACTED**] fees and HK$[**REDACTED**] in non-[**REDACTED**] fees (which consist of fees and expenses of legal advisors and our Reporting Accountants of approximately HK$[**REDACTED**] and other fees and expenses of approximately HK$[**REDACTED**]). Among the total [**REDACTED**] expenses, approximately HK$[**REDACTED**] will be directly attributable to the [**REDACTED**] of our H Shares, which will be deducted from equity upon the completion of the [**REDACTED**], and the remaining approximately HK$[**REDACTED**] will be expensed in our statements of profit or loss and other comprehensive income.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We currently do not have a pre-determined dividend payout ratio or a formal dividend policy. We currently do not anticipate paying any cash dividends in the foreseeable future. [**REDACTED**] should not purchase our H Shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors that our Directors may deem relevant. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the near future. As advised by our PRC Legal Advisor, we are currently prohibited under applicable PRC laws from paying dividends to our Shareholders in light of our accumulated losses.

For details on the legal and regulatory restrictions on and factors affecting our declaration and payment of dividends, see "Financial Information — Dividends."

[**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and other estimated expenses in connection with the [**REDACTED**] paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the mid-point of the indicative [**REDACTED**] range).

We currently intend to apply these [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [**REDACTED**], or [**REDACTED**], will be allocated to the development of our Core Product, PG-011 (Pumecitinib) in the Chinese mainland;
- Approximately [**REDACTED**], or [**REDACTED**], will be allocated to the development of our other product candidates in the Chinese mainland;
- Approximately [**REDACTED**], or [**REDACTED**], will be used to further strengthen our innovation and commercialization capabilities; and
- Approximately [**REDACTED**], or [**REDACTED**], will be used for our daily operations and general corporate purposes, including working capital requirements, staff salaries, administrative expenses, marketing and business development activities and other routine operational costs.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

We continued investing in the research, and development and commercialization of our drug candidates after April 30, 2026. For example, we entered into an exclusive cooperation agreement with Jiangsu Simcere Pharmaceutical Co., Ltd. regarding the marketing and distribution of Pumecitinib gel. See "Business — Major Collaboration and Licensing Arrangements — Cooperation Agreement with Simcere Pharmaceutical" for further details. We continued to utilize available sources of funds, including bank loans to support our funding needs for operations and research and development, and repaid relevant loans as they became due.

We expect that we will continue to record an increase in net losses for the year ending December 31, 2026 compared to the year of 2025, primarily because (i) we expect to incur significant research and development expenses as we continue to advance and expand our pipeline and enhance our technology platforms; and (ii) we expect to incur [**REDACTED**] expenses in connection with our proposed [**REDACTED**].

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this document and except as disclosed in this document, there has been no material adverse change in our financial or trading position or prospects since April 30, 2026 (being the end date of the period reported on in the Accountants' Report set out in Appendix I to this document) and there has been no event since April 30, 2026 that would materially affect the Accountants' Report as set out in Appendix I to this document.