

## FINANCIAL INFORMATION

*You should read the following discussion and analysis in conjunction with the Accountants’ Report included in Appendix I to this document, together with the respective accompanying notes. Our historical financial information has been prepared in accordance with IFRS Accounting Standards.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.*

### OVERVIEW

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

We currently have no products approved for commercial sale and therefore had not generated any revenue from product sales during the Track Record Period. 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. Such losses resulted primarily from our significant research and development expenses and general and administrative expenses.

We expect to incur significant expenses and record net losses for at least the next several years as we continue to advance our clinical development and pre-clinical research plans, prepare for the commercialization of our Core Product or other drug candidates, and recruit talents necessary to operate our business. Subsequent to the [REDACTED] and the [REDACTED], we also expect to incur costs and expenses associated with operating as a public company. Our financial performance may fluctuate from period to period due to, among other factors, the development progress of our drug candidates, regulatory approval timeline, and commercialization of our drug candidates after approval.

### BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with the IFRS Accounting Standards. All applicable new and revised IFRS Accounting Standards have been adopted, except for any new and revised accounting standards that are not yet effective for the accounting period beginning on January 1, 2026. Our historical financial information has been prepared under the historical cost basis except for the financial assets measured at fair value through profit and loss and the financial assets measured at fair value through other comprehensive income, which are stated at their fair value. The historical financial information is presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

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### General Factors

Our business and operating results are affected by general factors affecting the pharmaceutical industry in which we operate, including but not limited to:

- growth and competition environment of the pharmaceutical market in China and globally;
- market acceptance of JAK inhibitor drugs;
- macroeconomic conditions and the relevant laws, regulations and governmental policies affecting the pharmaceutical and innovative drug industry in China and globally; and
- technology advancements in drug development.

### Company Specific Factors

#### *Our Ability to Successfully Develop Our Drug Candidates*

Our business and operating results depend on our ability to advance our drug development programs and obtain regulatory approvals for our drug candidates. As of the Latest Practicable Date, we had established a rationally designed and differentiated pipeline consisting of four proprietary drug candidates covering 10 indications, as well as five generic drug candidates. See “Business — Our Product Pipeline” for more information on the development status and plans of our drug candidates.

However, the time required to obtain approvals from the NMPA or other competent regulatory authorities is unpredictable, but it typically takes several years following the commencement of clinical trials. See “Risk Factors — Risks relating to Our Business and Industry — Risks Relating to the Development of Our Drug Candidates and Regulatory Approval” for details of the risks in relation to advancing clinical development and obtaining regulatory approvals for our drug candidates. Whether our drug candidates can demonstrate favorable clinical trial results, and whether we can obtain the requisite regulatory approvals for our drug candidates in time, are pivotal to our business and results of operations.

#### *Our Ability to Successfully Commercialize Our Drug Candidates*

Our business and results of operations depend on our ability to commercialize our drug candidates following receipt of regulatory approvals from competent authorities. Once commercialization begins, our business and operating results will largely depend on market acceptance of our products, the sales performance of our commercialized drugs, and our ability to manufacture at a scale sufficient to meet market demand. Successful commercialization will require substantial marketing efforts and related expenses before we are able to generate revenue from product sales. For the early stages of commercialization, we plan to collaborate with experienced industry partners and leverage their established distribution networks and sales and marketing capabilities to facilitate rapid market entry. Over the longer term, we aim to build a dedicated in-house marketing team to strengthen our commercialization capabilities and work in synergy with our partners to enhance the market penetration of our products. Despite our carefully designed commercialization strategy, if our products do not achieve the expected level of market acceptance, we may be unable to generate revenue or achieve profitability as anticipated. See “Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to the Commercialization of Our Drug Candidates” for more details of the risks in relation to commercialization of our drug candidates.

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### *Our Ability to Effectively Control Our Costs and Expenses*

Our ability to manage and control our costs and expenses is critical to the success of our business. Our operating expenses primarily include research and development expenses and general and administrative expenses. Research and development expenses have been, and are expected to continue to be, a major component in our cost structure. For detailed information on our cost and expenses, see “— Description of Key Components of Our Statements of Profit or Loss and Other Comprehensive Income.”

We expect our cost structure to evolve as we continue to develop and expand our business. As the pre-clinical studies and clinical trials for our drug candidates progress and as we move our pipeline products toward commercialization, our research and development expenses, manufacturing-related costs and commercialization investments are expected to increase accordingly. In addition, as we transition into operating as a public company in Hong Kong, we anticipate incurring higher legal, compliance, accounting, insurance, and investor and public relations expenses to meet ongoing regulatory and reporting requirements. These additional obligations will further contribute to the growth of our operating costs. We will continue to optimize our cost-control measures, enhance operational efficiency, and strategically allocate resources to support sustainable business expansion.

### *Our Ability to Attract and Maintain Strategic Partnerships*

Our results of operations have been, and are likely to continue to be, influenced by our strategic collaborations with business partners. For example, we cooperate with CROs during the research and development of our drug candidates, and currently rely on external vendors to produce our active pharmaceutical ingredients (APIs). In addition, we expect to cooperate with external partners on the marketing and promotion of our drug products after they are approved for sale. As we continue to advance our drug candidates through later stages of development and prepare for potential commercialization, our relationship with key business partners may further impact our operating performance, procurement concentration, production flexibility, and overall cost management.

### *Funding for Our Operations*

During the Track Record Period, we funded our operations primarily through capital contribution from shareholders and proceeds from bank loans. We expect to fund our future operations primarily with existing cash, income derived from our collaboration and licensing arrangements and [REDACTED] from the [REDACTED]. Upon the successful commercialization of one or more of our drug candidates, we expect to further complement the funding for our operations with revenue generated from sales of our commercialized drug products. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration and licensing arrangements or other sources. Any material fluctuation in the funding for our operations will impact our cash flow and our results of operations.

## MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Our historical financial information was prepared in conformity with IFRS Accounting Standards. For detailed information on the accounting principles that are material to the preparation and interpretation of our historical financial information, please see Note 2 to the Accountants’ Report as set forth in Appendix I to this document.

The preparation of our historical financial information in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions, which could affect the application of policies and reported amounts of assets, liabilities, income and expenses.

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Our management review such estimates and underlying assumptions on an ongoing basis. For details on the significant judgments and estimates and the associated uncertainties, please see Note 3 to the Accountants’ Report as set forth in Appendix I to this document.

### DESCRIPTION OF KEY COMPONENTS FROM OUR 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)        |
| <b>Loss from operations . . . . .</b>                                           | <b>(175,912)</b>        | <b>(138,634)</b> | <b>(48,505)</b>             | <b>(76,348)</b> |
| Finance costs . . . . .                                                         | (2,584)                 | (2,469)          | (893)                       | (1,184)         |
| <b>Loss before taxation . . . . .</b>                                           | <b>(178,496)</b>        | <b>(141,103)</b> | <b>(49,398)</b>             | <b>(77,532)</b> |
| Income tax . . . . .                                                            | —                       | —                | —                           | —               |
| <b>Loss for the year/period . . . .</b>                                         | <b>(178,496)</b>        | <b>(141,103)</b> | <b>(49,398)</b>             | <b>(77,532)</b> |

### Other Net Income

Our other net income consists of government grants received from government authorities, and, to a lesser extent, fair value changes of financial assets measured at fair value through profit or loss and interest income. For the year ended December 31, 2024 and 2025 and the four months ended April 30, 2025 and 2026, our other net income was RMB11.2 million, RMB36.3 million, RMB0.9 million and RMB6.0 million, respectively.

The following table sets forth a breakdown of our other net income for the years/periods indicated:

|                                                                                                | For the year ended December 31, |        | For the four months ended April 30, |       |
|------------------------------------------------------------------------------------------------|---------------------------------|--------|-------------------------------------|-------|
|                                                                                                | 2024                            | 2025   | 2025                                | 2026  |
|                                                                                                |                                 |        | (unaudited)                         |       |
|                                                                                                |                                 |        | (RMB in thousands)                  |       |
| Government grants . . . . .                                                                    | 9,938                           | 35,493 | 536                                 | 3,902 |
| Fair value changes of financial assets measured at fair value through profit or loss . . . . . | 811                             | 307    | 107                                 | 454   |

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|                                                 | For the year ended<br>December 31, |               | For the four months ended<br>April 30, |              |
|-------------------------------------------------|------------------------------------|---------------|----------------------------------------|--------------|
|                                                 | 2024                               | 2025          | 2025                                   | 2026         |
|                                                 | (unaudited)                        |               |                                        |              |
|                                                 | (RMB in thousands)                 |               |                                        |              |
| Interest income . . . . .                       | 429                                | 381           | 102                                    | 169          |
| Gain on early termination of<br>lease . . . . . | —                                  | —             | —                                      | 1,371        |
| Others . . . . .                                | 42                                 | 115           | 115                                    | 102          |
| <b>Total . . . . .</b>                          | <b>11,220</b>                      | <b>36,296</b> | <b>860</b>                             | <b>5,998</b> |

### General and Administrative Expenses

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 and the [REDACTED].

The following table sets forth a breakdown of our general and administrative expenses for the years/periods indicated:

|                                                 | Year ended December 31, |               | For the four months ended<br>April 30, |               |
|-------------------------------------------------|-------------------------|---------------|----------------------------------------|---------------|
|                                                 | 2024                    | 2025          | 2025                                   | 2026          |
|                                                 | (RMB in thousands)      |               |                                        |               |
| Staff costs . . . . .                           | 18,631                  | 18,243        | 5,642                                  | 6,282         |
| Share-based payments . . . . .                  | 10,843                  | 9,069         | 5,244                                  | 10,584        |
| Professional service fees . . . . .             | 6,013                   | 6,576         | 774                                    | 1,573         |
| Office, travel and hiring<br>expenses . . . . . | 3,626                   | 2,188         | 778                                    | 1,252         |
| Depreciation and amortization . . . . .         | 529                     | 2,228         | 228                                    | 980           |
| [REDACTED] expenses . . . . .                   | [REDACTED]              | [REDACTED]    | [REDACTED]                             | [REDACTED]    |
| Others . . . . .                                | 1,111                   | 1,292         | 444                                    | 683           |
| <b>Total . . . . .</b>                          | <b>40,753</b>           | <b>46,993</b> | <b>13,110</b>                          | <b>27,841</b> |

### Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) outsourced pre-clinical and clinical study expenses, (ii) staff costs, and (iii) 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, representing 78.2%, 73.2%, 73.4% and 66.2% of our total operating expenses (namely the aggregate of general and administrative expenses and research and development expenses), respectively.

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The following table sets forth a breakdown of our research and development expenses for the years/periods indicated:

|                                                             | Year ended December 31, |                | For the four months ended April 30, |               |
|-------------------------------------------------------------|-------------------------|----------------|-------------------------------------|---------------|
|                                                             | 2024                    | 2025           | 2025                                | 2026          |
| <i>(RMB in thousands)</i>                                   |                         |                |                                     |               |
| Outsourced pre-clinical and clinical study expenses . . . . | 83,179                  | 65,096         | 16,558                              | 15,128        |
| Staff costs . . . . .                                       | 42,110                  | 36,195         | 12,643                              | 13,181        |
| Share-based payments . . . . .                              | 4,936                   | 15,431         | 3,054                               | 22,428        |
| Depreciation and amortization . . . . .                     | 3,834                   | 3,755          | 1,402                               | 614           |
| Others <sup>(1)</sup> . . . . .                             | 12,148                  | 7,959          | 2,595                               | 3,141         |
| <b>Total . . . . .</b>                                      | <b>146,207</b>          | <b>128,436</b> | <b>36,252</b>                       | <b>54,492</b> |

*Note:*

- (1) Primarily include raw material costs, IP right license fees, and short-term lease payments and property management fees.

For the year ended December 31, 2024 and 2025 and the four months ended April 30, 2025 and 2026, the 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 period, respectively, and 47.4%, 47.9%, 44.5% and 46.7% of our total operating expenses, respectively. The following table sets forth the research and development expenses incurred for our Core Product PG-011 during the Track Record Period by indication.

|                                      | For the year December 31, |               | For the four months ended April 30, |               |
|--------------------------------------|---------------------------|---------------|-------------------------------------|---------------|
|                                      | 2024                      | 2025          | 2025                                | 2026          |
| <i>(RMB in thousands)</i>            |                           |               |                                     |               |
| <b>PG-011 for the indication of:</b> |                           |               |                                     |               |
| Atopic dermatitis . . . . .          | 70,112                    | 43,571        | 13,280                              | 22,812        |
| Seasonal allergic rhinitis . . . . . | 17,693                    | 40,410        | 8,673                               | 15,647        |
| Other indications . . . . .          | 869                       | —             | —                                   | —             |
| <b>Total . . . . .</b>               | <b>88,673</b>             | <b>83,981</b> | <b>21,953</b>                       | <b>38,459</b> |

### Finance Costs

Our finance costs primarily represent the interest expenses incurred on our bank loans and lease liabilities. For the year ended December 31, 2024 and 2025 and the four months ended April 30, 2025 and 2026, our finance costs were RMB2.6 million, RMB2.5 million, RMB0.9 million and RMB1.2 million, respectively. See “— Indebtedness” in this section for further details.

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The following table sets forth a breakdown of our finance costs for the years/periods indicated:

|                                     | Year ended December 31, |                     | For the four months ended April 30, |                     |
|-------------------------------------|-------------------------|---------------------|-------------------------------------|---------------------|
|                                     | 2024                    | 2025                | 2025                                | 2026                |
|                                     |                         |                     | <i>(unaudited)</i>                  |                     |
|                                     |                         |                     | <i>(RMB in thousands)</i>           |                     |
| Interest on bank loans . . . . .    | 2,464                   | 2,117               | 879                                 | 1,052               |
| Interest on lease liabilities . . . | 120                     | 352                 | 14                                  | 132                 |
| <b>Total . . . . .</b>              | <b><u>2,584</u></b>     | <b><u>2,469</u></b> | <b><u>893</u></b>                   | <b><u>1,184</u></b> |

### Income Tax

We are subject to enterprise income tax in the PRC at the statutory rate of 25% on taxable profits calculated in accordance with the EIT Law. As an accredited High and New Technology Enterprise, our Company is entitled to a preferential tax rate of 15% for enterprise income tax in the PRC. We are also entitled to an additional tax deduction equal to 100% of our qualified research and development expenses.

During the Track Record Period, we did not pay any income tax as we did not record any taxable profit.

## PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

### Four Months Ended April 30, 2026 Compared to Four Months Ended April 30, 2025

#### *Other Net Income*

Our other net income increased significantly from RMB0.9 million for the four months ended April 30, 2025 to RMB6.0 million for the four months ended April 30, 2026, primarily attributable to an increase in government grants recognize as other income as a result of our advancement in the development of Pumecitinib nasal spray.

#### *General and Administrative Expenses*

Our general and administrative expenses more than doubled 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 our increased share-based payment to our management personnel under our 2021 Share Incentive Scheme as a result of the reduction in vesting period in 2026. For details on our 2021 Share Incentive Scheme, see Note 23 to the Accountants’ Report.

#### *Research and Development Expenses*

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. For details on our 2021 Share Incentive Scheme, see Note 23 to the Accountants’ Report.

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### *Finance Costs*

Our finance costs increased by 33.3% from RMB0.9 million for the four months ended April 30, 2025 to RMB1.2 million for the four months ended April 30, 2026, primarily due to an increase in our interest-bearing bank loans that we raised to support our operations.

### *Loss for the Period*

Primarily as a result of the foregoing, our loss for the period increased by 56.9% from RMB49.4 million for the four months ended April 30, 2025 to RMB77.5 million for the four months ended April 30, 2026.

### **2025 Compared to 2024**

### *Other Net Income*

Our other net income increased significantly from RMB11.2 million in 2024 to RMB36.3 million in 2025, primarily attributable to the RMB30.0 million government grants we received in 2025 as our Pumecitinib gel for atopic dermatitis entered Phase III clinical trials.

### *General and Administrative Expenses*

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] expenses incurred in 2025 for the [REDACTED].

### *Research and Development Expenses*

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.

### *Finance Costs*

Our finance costs remained relatively stable at RMB2.6 million in 2024 to RMB2.5 million in 2025.

### *Loss for the Year*

Primarily as a result of the foregoing, our loss for the year decreased by 20.9% from RMB178.5 million in 2024 to RMB141.1 million in 2025.

## DISCUSSION OF SELECTED ITEMS FROM OUR 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) |        |                 |
| <b>Non-current assets</b>        |                    |        |                 |
| Property and equipment . . . . . | 4,652              | 3,950  | 3,695           |
| Right-of-use assets . . . . .    | 1,574              | 16,144 | 17,405          |

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|                                                                                         | As of December 31,        |                | As of April 30, |
|-----------------------------------------------------------------------------------------|---------------------------|----------------|-----------------|
|                                                                                         | 2024                      | 2025           | 2026            |
|                                                                                         | <i>(RMB in thousands)</i> |                |                 |
| Intangible assets . . . . .                                                             | 1,823                     | 584            | 547             |
| Other non-current assets . . . . .                                                      | 11,274                    | 15,389         | 14,925          |
|                                                                                         | <u>19,323</u>             | <u>36,067</u>  | <u>36,572</u>   |
| <b>Current assets</b>                                                                   |                           |                |                 |
| Prepayments and other receivables . . . . .                                             | 8,498                     | 7,696          | 10,140          |
| Financial assets measured at fair value<br>through profit or loss . . . . .             | 50,186                    | —              | 43,054          |
| Financial assets measured at fair value<br>through other comprehensive income . . . . . | —                         | —              | 40,204          |
| Restricted bank deposits . . . . .                                                      | —                         | 10,000         | —               |
| Cash and cash equivalents . . . . .                                                     | 189,653                   | 190,837        | 127,682         |
|                                                                                         | <u>248,337</u>            | <u>208,533</u> | <u>221,080</u>  |
| <b>Current liabilities</b>                                                              |                           |                |                 |
| Trade and other payables . . . . .                                                      | 27,841                    | 50,876         | 41,863          |
| Amount due to a related party . . . . .                                                 | 2,364                     | 202            | 396             |
| Bank loans . . . . .                                                                    | 82,000                    | 90,980         | 116,306         |
| Lease liabilities . . . . .                                                             | 1,097                     | 3,967          | 2,701           |
|                                                                                         | <u>113,302</u>            | <u>146,025</u> | <u>161,266</u>  |
| <b>Net current assets</b> . . . . .                                                     | <u>135,035</u>            | <u>62,508</u>  | <u>59,814</u>   |
| <b>Total assets less current liabilities</b> . . . . .                                  | <u>154,358</u>            | <u>98,575</u>  | <u>96,386</u>   |
| <b>Non-current liabilities</b>                                                          |                           |                |                 |
| Bank loans . . . . .                                                                    | —                         | 44,000         | 50,395          |
| Lease liabilities . . . . .                                                             | 426                       | 13,038         | 15,090          |
| Other non-current liabilities . . . . .                                                 | —                         | —              | 37,736          |
| Deferred income . . . . .                                                               | —                         | 4,208          | 356             |
|                                                                                         | <u>426</u>                | <u>61,246</u>  | <u>103,577</u>  |
| <b>NET ASSETS/(LIABILITIES)</b> . . . . .                                               | <u>153,932</u>            | <u>37,329</u>  | <u>(7,191)</u>  |
| <b>CAPITAL AND RESERVES</b>                                                             |                           |                |                 |
| Share capital . . . . .                                                                 | 96,085                    | 96,085         | 96,085          |
| Reserves . . . . .                                                                      | 57,847                    | (58,756)       | (103,276)       |
| <b>TOTAL EQUITY/(DEFICIT)</b> . . . . .                                                 | <u>153,932</u>            | <u>37,329</u>  | <u>(7,191)</u>  |

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 net loss incurred for the relevant periods.

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### Property and Equipment

During the Track Record Period, our property and equipment primarily comprise machinery and equipment relating to the research and development of our drug candidates. The following table sets forth a breakdown of our property and equipment as of the dates indicated:

|                                          | As of December 31,        |                     | As of April 30,     |
|------------------------------------------|---------------------------|---------------------|---------------------|
|                                          | 2024                      | 2025                | 2026                |
|                                          | <i>(RMB in thousands)</i> |                     |                     |
| Machinery and equipment . . . . .        | 3,982                     | 3,485               | 3,307               |
| Office equipment and furniture . . . . . | 447                       | 379                 | 316                 |
| Leasehold improvements . . . . .         | 223                       | 86                  | 72                  |
| <b>Total . . . . .</b>                   | <b><u>4,652</u></b>       | <b><u>3,950</u></b> | <b><u>3,695</u></b> |

Our property and equipment decreased from RMB4.7 million as of December 31, 2024 to RMB4.0 million as of December 31, 2025, and further decreased to RMB3.7 million as of April 30, 2026, primarily as a result of depreciation of such assets.

We assess our property and equipment together with other non-financial assets for impairment testing purpose. For details on our accounting policies on impairment testing for property and equipment, please see Note 2(g)(ii) to the Accountants’ Report set out in Appendix I to this document. We did not recognize any impairment on property and equipment in the year of 2024 and 2025 and the four months ended April 30, 2026.

### Right-of-use Assets

Our right-of-use assets represent our leased properties used as offices and proposed manufacturing facility. Our right-of-use assets increased from RMB1.6 million as of December 31, 2024 to RMB16.1 million as of December 31, 2025, primarily due to our newly leased property in connection with the planned development of our research and manufacturing facilities. Our right-of-use assets increased from RMB16.1 million as of December 31, 2025 to RMB17.4 million as of April 30, 2026, primarily due to an increase in the leased area for our planned research and manufacturing facilities.

We assess our right-of-use assets together with other non-financial assets for impairment testing purpose. For details on our accounting policies on impairment testing for right-of-use assets, please see Note 2(g)(ii) to the Accountants’ Report set out in Appendix I to this document. We did not recognize any impairment on right-of-use assets in 2024 and 2025.

### Other Non-Current Assets

Our other non-current assets represent our value-added tax recoverable, which is expected to be deducted from future value-added tax payable on our revenue after the commercialization of our drug candidates.

Our other non-current assets increased from RMB11.3 million as of December 31, 2024 to RMB15.4 million as of December 31, 2025, reflecting our cumulative value-added tax paid in connection with our procurements for our operations and research and development activities which is expected to be deducted against the VAT payable on our future sales after the commercialization of our drug candidates. Our other non-current assets decreased from RMB15.4 million as of December 31, 2025 to RMB14.9 million as of April 30, 2026, primarily reflecting the utilization of value-added tax recoverable upon our invoicing of the up-front payment received under the

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Pumecitinib Nasal Spray Cooperation Agreement. For details on the Pumecitinib Nasal Spray Cooperation Agreement, please see “Business — Major Collaboration and Licensing Arrangements — Cooperation Agreement with Jumpcan Pharmaceutical.”

### Financial Assets Measured at Fair Value Through Profit or Loss

Our financial assets measured at fair value through profit or loss represent structured deposits purchased from banks in the PRC with variable interest that we purchased as part of our cash management efforts.

Our financial assets measured at fair value through profit or loss decreased from RMB50.2 million as of December 31, 2024 to nil as of December 31, 2025 due to the maturity and redemption of such financial products. Such assets increased to RMB43.1 million as of April 30, 2026 as a result of our purchase of structured deposits with cash on hand during the four months ended April 30, 2026.

### Financial Assets Measured at Fair Value Through Other Comprehensive Income

Our financial assets measured at fair value through other comprehensive income represent certificates of deposit that we invest in as part of our cash management efforts.

As of December 31, 2024 and 2025, our financial assets measured at fair value through other comprehensive income were nil, as we did not invest in any certificates of deposit at the time. As of April 30, 2026, such assets amounted to RMB40.2 million, reflecting our purchase of certificates of deposits during the four months ended April 30, 2026.

We have adopted a prudent approach when investing in financial products. During the Track Record Period and up to the Latest Practicable Date, we mainly invested in financial products with low risks, such as structured deposits, as part of our cash management practice. Our investment in financial products is subject to a cap as approved by our Board, and is determined by our finance department on a case-by-case basis and after due and careful consideration of a number of factors, such as the duration of the investment, the expected returns and our working capital conditions. Our finance department is responsible for the risk assessment, planning and implementation of our investment in wealth financial products.

Upon [REDACTED], we may continue our investment in financial products, and will ensure that all such investment comply with the applicable laws and regulations, including the relevant requirements under Chapter 14 of the Listing Rules.

### Prepayments and Other Receivables

During the Track Record Period, our prepayments and other receivables consists primarily of our prepayments for CRO services and raw materials. The following table sets forth a breakdown of our prepayments and other receivables as of the dates indicated:

|                                                                                  | As of December 31, |            | As of April 30, |
|----------------------------------------------------------------------------------|--------------------|------------|-----------------|
|                                                                                  | 2024               | 2025       | 2026            |
|                                                                                  | (RMB in thousands) |            |                 |
| Prepayments for CRO services . . . . .                                           | 5,441              | 3,562      | 3,095           |
| Prepayments for raw materials . . . . .                                          | 2,205              | 1,658      | 2,822           |
| Costs incurred to be deducted from equity<br>in connection with the [REDACTED] . | [REDACTED]         | [REDACTED] | [REDACTED]      |
| Rental deposits . . . . .                                                        | 1,563              | 1,357      | 1,457           |
| Others . . . . .                                                                 | 3                  | —          | 371             |

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|                                | As of December 31, |              | As of April 30, |
|--------------------------------|--------------------|--------------|-----------------|
|                                | 2024               | 2025         | 2026            |
|                                | (RMB in thousands) |              |                 |
| Less: loss allowance . . . . . | (714)              | (215)        | (228)           |
| <b>Total . . . . .</b>         | <b>8,498</b>       | <b>7,696</b> | <b>10,140</b>   |

Our prepayments and other receivables decreased from RMB8.5 million as of December 31, 2024 to RMB7.7 million as of December 31, 2025, primarily attributable to the de-recognition of prepayments for CRO services in line with the provision of the relevant CRO services by relevant vendors. Our prepayments and other receivables increased to RMB10.1 million as of April 30, 2026, primarily attributable to (i) increases in the costs incurred in connection with our [REDACTED] that will be deducted from equity upon the completion of the [REDACTED], and (ii) our prepayments for raw materials in line with the progress of the development of our product candidates.

As of May 31, 2026, RMB0.7 million, or approximately 12.2%, of our prepayments for CRO services and raw materials had been subsequently settled.

### Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB189.7 million as of December 31, 2024 to RMB190.8 million as of December 31, 2025, primarily attributable to cash received upon the maturity of our structured deposits and the proceeds from loan borrowed in 2025. Our cash and cash equivalents decreased to RMB127.7 million as of April 30, 2026, primarily due to our investment in structured deposits and certificates of deposit with our cash on hand during the four months ended April 30, 2026 as part of our cash management efforts.

### Trade and Other Payables

Our trade and other payables primarily comprise amounts payable for research and development costs and staff related costs, as well as tax payables and government grants received but not meeting their conditions attached. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

|                                                       | As of December 31, |               | As of April 30, |
|-------------------------------------------------------|--------------------|---------------|-----------------|
|                                                       | 2024               | 2025          | 2026            |
|                                                       | (RMB in thousands) |               |                 |
| Payables for research and development costs . . . . . | 17,378             | 23,465        | 18,497          |
| Government grants <sup>(1)</sup> . . . . .            | –                  | 17,513        | 17,513          |
| Payables for staff related costs . . . . .            | 7,155              | 6,544         | 4,619           |
| Payables for [REDACTED] expenses . .                  | [REDACTED]         | [REDACTED]    | [REDACTED]      |
| Payables for other taxes . . . . .                    | 1,052              | 908           | 803             |
| Others . . . . .                                      | 2,256              | 1,495         | 431             |
|                                                       | <b>27,841</b>      | <b>50,876</b> | <b>41,863</b>   |

Note:

(1) Represents government grants received but not meeting the conditions attached.

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Our trade and other payables increased from RMB27.8 million as of December 31, 2024 to RMB50.9 million as of December 31, 2025, primarily attributable to the government grant we received in 2025, for which we have not met the conditions attached. Our trade and other payables decreased to RMB41.9 million as of April 30, 2026, primarily due to our settlement of payables for R&D costs.

The following table sets forth an aging analysis of the payables for research and development costs based on the date of purchase as of the dates indicated:

|                                           | As of December 31, |               | As of April 30, |
|-------------------------------------------|--------------------|---------------|-----------------|
|                                           | 2024               | 2025          | 2026            |
|                                           | (RMB in thousands) |               |                 |
| Within 6 months . . . . .                 | 16,941             | 16,898        | 15,153          |
| Over 6 months and within 1 year . . . . . | 342                | 3,450         | 1,926           |
| Over 1 year . . . . .                     | 95                 | 3,117         | 1,418           |
|                                           | <u>17,378</u>      | <u>23,465</u> | <u>18,497</u>   |

As of May 31, 2026, RMB5.8 million, or approximately 30.9% of our payables for research and development costs as of April 30, 2026 had been subsequently settled.

### Bank Loans

During the Track Record Period, our bank loans were unsecured and unguaranteed and bear annual interest rates ranging from 2.2% to 4.1%.

The following table sets forth the analysis of the repayment schedule of our bank loans as of the dates indicated:

|                                           | As of December 31, |                | As of April 30, |
|-------------------------------------------|--------------------|----------------|-----------------|
|                                           | 2024               | 2025           | 2026            |
|                                           | (RMB in thousands) |                |                 |
| Within 1 year or on demand . . . . .      | 82,000             | 90,980         | 116,306         |
| After 1 year but within 2 years . . . . . | —                  | 44,000         | 50,395          |
| <b>Total</b> . . . . .                    | <u>82,000</u>      | <u>134,980</u> | <u>166,701</u>  |

Our bank loans increased from RMB82.0 million as of December 31, 2024 to RMB135.0 million as of December 31, 2025, and further increased to RMB166.7 million as of April 30, 2026, as a result of our raising of new loans to fund our R&D activities and business operations.

### Lease Liabilities

Our lease liabilities primarily represent our payment obligations under the leases for our offices and proposed manufacturing facility. Our lease liabilities increased from RMB1.5 million as of December 31, 2024 to RMB17.0 million as of December 31, 2025, primarily due to our newly leased property in connection with the planned development of our research and manufacturing facilities. Our lease liabilities increased to RMB17.8 million as of April 30, 2026, primarily due to an increase in the leased area for our planned research and manufacturing facilities.

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### Deferred Income

Our deferred income represent government grant we received to support our future research and development activities.

Our deferred income increased from nil as of December 31, 2024 to RMB4.2 million as of December 31, 2025, primarily reflecting the government grant we received from relevant authorities in 2025. Our deferred income decreased to RMB0.4 million as of April 30, 2026 as a result of our recognition of such government grant as other income in line with the advancement in our development of Pumecitinib nasal spray.

### KEY FINANCIAL RATIO

The following table sets forth our current ratio as of the dates indicated:

|                                        | As of December 31, |      | As of April 30, |
|----------------------------------------|--------------------|------|-----------------|
|                                        | 2024               | 2025 | 2026            |
| Current ratio <sup>(1)</sup> . . . . . | 2.19               | 1.43 | 1.37            |

*Note:*

(1) Calculated by dividing our total current assets by our total current liabilities as of the relevant dates.

### LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity consist of cash at banks, which we have historically generated primarily through capital contribution from shareholders and proceeds from borrowings. We expect that our cash needs in the near future will primarily relate to progressing the development of our drug candidates towards initiating various stages of clinical trials, receiving regulatory approval and commencing commercialization, as well as expanding our drug candidate portfolio. For these purposes, we expect debt financing (including bank loans) and the expected [REDACTED] from the [REDACTED] to constitute our main source of funding. We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimal liquidity that can meet our working capital needs.

The following table sets out a summary of our cash flows for the years/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          |
| <b>Net increase/(decrease) in cash and cash equivalents .</b>    | <b>59,949</b>           | <b>1,184</b>   | <b>(1,111)</b>              | <b>(63,155)</b> |
| Cash and cash equivalents at January 1 . . . . .                 | 129,704                 | 189,653        | 189,653                     | 190,837         |
| <b>Cash and cash equivalents at December 31/April 30 . . . .</b> | <b>189,653</b>          | <b>190,837</b> | <b>188,542</b>              | <b>127,682</b>  |

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### Cash Flow from Operating Activities

For the four months ended April 30, 2026, we recorded net cash used in operating activities of RMB9.2 million, consisting of loss before taxation of RMB77.5 million and adjustments for (i) non-cash or non-operating expenses or losses, primarily including share-based payment expenses of RMB33.0 million; and (ii) changes in working capital items, including increase in other non-current liabilities of RMB37.7 million, a decrease in restricted bank deposits of RMB10.0 million, a decrease in trade and other payables of RMB8.9 million, and a decrease in deferred income of RMB3.9 million.

For the year ended December 31, 2025, we recorded net cash used in operating activities of RMB94.2 million, consisting of loss before taxation of RMB141.1 million and adjustments for (i) non-cash or non-operating expenses or losses, primarily including share-based payment expenses of RMB24.5 million, depreciation and amortization of RMB6.0 million, and finance costs of RMB2.5 million; and (ii) changes in working capital items, including an increase in trade and other payables of RMB24.6 million, an increase in restricted bank deposits of RMB10.0 million, an increase in deferred income of RMB4.2 million, an increase in other non-current assets of RMB4.1 million, and a decrease in prepayments and other receivables of RMB2.6 million.

For the year ended December 31, 2024, we recorded net cash used in operating activities of RMB159.5 million, consisting of loss before taxation of RMB178.5 million and adjustments for (i) non-cash or non-operating expenses or losses, primarily including share-based payment expenses of RMB15.8 million, depreciation and amortization of RMB4.4 million, and finance costs of RMB2.6 million; and (ii) changes in working capital items, including an increase in other non-current assets of RMB5.7 million, an increase of trade and other payables of RMB4.3 million, and an increase in prepayments and other receivables of RMB2.9 million.

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. 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, 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 positions; and (iv) successfully launching the [REDACTED] to obtain the [REDACTED].

### Cash Flow from Investing Activities

For the four months ended April 30, 2026, our net cash used in investing activities was RMB82.7 million, primarily attributable to payments for purchase of financial assets measured at fair value through profit or loss of RMB369.5 million and for purchase of financial assets measured at fair value through other comprehensive income of RMB40.1 million, which is partially offset by proceeds from redemptions of financial assets measured at fair value through profit or loss of RMB326.9 million.

For the year ended December 31, 2025, our net cash generated from investing activities was RMB48.6 million, primarily attributable to proceeds from redemptions of financial assets measured at fair value through profit or loss of RMB225.5 million, which is partially offset by payments for purchase of financial assets measured at fair value through profit or loss of RMB175.0 million.

For the year ended December 31, 2024, our net cash used in investing activities was RMB40.2 million, primarily attributable to payments for purchase of financial assets measured at fair value through profit or loss of RMB228.0 million, which is partially offset by proceeds from redemptions of financial assets measured at fair value through profit or loss of RMB188.7 million.

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### Cash Flow from Financing Activities

For the four months ended April 30, 2026, our net cash generated from financing activities was RMB28.8 million, primarily attributable to proceeds from bank loans of RMB56.9 million, which is partially offset by cash paid for repayment of bank loans of RMB25.5 million.

For the year ended December 31, 2025, our net cash generated from financing activities was RMB46.8 million, mainly attributable to RMB137.0 million in proceeds from bank loans, partially offset by the repayment of bank loans of RMB84.0 million.

For the year ended December 31, 2024, our net cash generated from financing activities was RMB259.6 million, primarily attributable to RMB216.0 million in capital injection received from equity shareholders and RMB157.0 million in proceeds from bank loans, which were partially offset by repayment of bank loans totaling RMB108.6 million, interest paid for bank loans of RMB2.5 million and principal elements of lease payment of RMB2.2 million.

### CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years/periods indicated:

|                                                                          | For the Year Ended<br>December 31, |                | For the four months ended<br>April 30, |               |
|--------------------------------------------------------------------------|------------------------------------|----------------|----------------------------------------|---------------|
|                                                                          | 2024                               | 2025           | 2025                                   | 2026          |
|                                                                          | <i>(RMB in thousands)</i>          |                |                                        |               |
| <b>Costs relating to the R&amp;D of our<br/>Core Product</b>             |                                    |                |                                        |               |
| Outsourced pre-clinical and clinical<br>study expenses . . . . .         | 56,538                             | 40,117         | 14,721                                 | 16,886        |
| Staff costs . . . . .                                                    | 21,390                             | 22,175         | 7,542                                  | 8,956         |
| Costs of materials and consumables .                                     | 3,390                              | 888            | 283                                    | 1,188         |
| Others . . . . .                                                         | 4,728                              | 3,442          | 1,741                                  | 788           |
| <b>Subtotal . . . . .</b>                                                | <b>86,047</b>                      | <b>66,622</b>  | <b>24,287</b>                          | <b>27,818</b> |
| <b>Costs relating to the R&amp;D of our<br/>other product candidates</b> |                                    |                |                                        |               |
| Outsourced pre-clinical and clinical<br>study expenses . . . . .         | 28,116                             | 20,908         | 6,107                                  | 4,047         |
| Staff costs . . . . .                                                    | 19,818                             | 14,729         | 6,040                                  | 5,080         |
| Costs of materials and consumables .                                     | 3,287                              | 1,719          | 1,003                                  | 658           |
| Others . . . . .                                                         | 2,414                              | 3,639          | 1,430                                  | 190           |
| <b>Subtotal . . . . .</b>                                                | <b>53,634</b>                      | <b>40,995</b>  | <b>14,580</b>                          | <b>9,975</b>  |
| Staff costs . . . . .                                                    | 17,314                             | 17,350         | 6,653                                  | 7,278         |
| Professional service fees <sup>(1)</sup> . . . . .                       | 5,290                              | 12,518         | 1,043                                  | 11,485        |
| Office, travel and hiring expenses . .                                   | 2,713                              | 1,788          | 726                                    | 1,339         |
| Others . . . . .                                                         | 4,447                              | 4,192          | 873                                    | 3,098         |
| <b>Total . . . . .</b>                                                   | <b>169,445</b>                     | <b>143,465</b> | <b>48,162</b>                          | <b>60,994</b> |

Note:

- (1) Primarily represents fees paid for professional services relating to our proposed listing on the Beijing Stock Exchange and the [REDACTED].

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### INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

|                             | As of December 31, |                | As of<br>April 30, | As of<br>May 31, |
|-----------------------------|--------------------|----------------|--------------------|------------------|
|                             | 2024               | 2025           | 2026               | 2026             |
|                             |                    |                |                    | (unaudited)      |
|                             | (RMB in thousands) |                |                    |                  |
| Bank loans . . . . .        | 82,000             | 134,980        | 166,701            | 177,088          |
| Lease liabilities . . . . . | 1,523              | 17,005         | 17,791             | 17,849           |
| <b>Total . . . . .</b>      | <b>83,523</b>      | <b>151,985</b> | <b>184,492</b>     | <b>194,937</b>   |

### Bank loans

As of December 31, 2024 and 2025, April 30, 2026 and May 31, 2026 (being the indebtedness date for the purpose of the indebtedness statement), our bank loans amounted to RMB82.0 million, RMB135.0 million, RMB166.7 million and RMB177.1 million, respectively. For detailed information on the changes in our bank loans, see “— Discussion of Selected Items from Our Statements of Financial Position — Bank Loans.”

The following table sets forth a breakdown of our bank loans as of the dates indicated:

|                        | As of December 31, |                | As of<br>April 30, | As of<br>May 31, |
|------------------------|--------------------|----------------|--------------------|------------------|
|                        | 2024               | 2025           | 2026               | 2026             |
|                        |                    |                |                    | (unaudited)      |
|                        | (RMB in thousands) |                |                    |                  |
| Current . . . . .      | 82,000             | 90,980         | 116,306            | 116,756          |
| Non-current . . . . .  | —                  | 44,000         | 50,395             | 60,332           |
| <b>Total . . . . .</b> | <b>82,000</b>      | <b>134,980</b> | <b>166,701</b>     | <b>177,088</b>   |

As of May 31, 2026, we had committed bank facilities of RMB204.5 million, of which RMB27.4 million was unutilized.

### Lease Liabilities

As of December 31, 2024 and 2025, April 30, 2026 and May 31, 2026 (being the indebtedness date for the purpose of the indebtedness statement), our lease liabilities amounted to RMB1.5 million, RMB17.0 million, RMB17.8 million and RMB17.8 million, respectively. Our lease liabilities are in relation to properties that we lease primarily for our offices and proposed manufacturing facility.

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The following table sets forth the payment schedule of our lease liabilities as of the dates indicated:

|                                               | As of December 31, |               | As of<br>April 30, | As of<br>May 31, |
|-----------------------------------------------|--------------------|---------------|--------------------|------------------|
|                                               | 2024               | 2025          | 2026               | 2026             |
|                                               |                    |               |                    | (unaudited)      |
|                                               | (RMB in thousands) |               |                    |                  |
| Within 1 year . . . . .                       | 1,097              | 3,967         | 2,701              | 3,755            |
| After 1 year but within 2<br>years . . . . .  | 284                | 3,859         | 3,736              | 3,722            |
| After 2 years but within 5<br>years . . . . . | 142                | 9,179         | 11,354             | 10,372           |
| <b>Total . . . . .</b>                        | <b>1,523</b>       | <b>17,005</b> | <b>17,791</b>      | <b>17,849</b>    |

### Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2024 and 2025, respectively.

### Indebtedness Statement

Except as disclosed above, as of May 31, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that, there is no material adverse change in our indebtedness since May 31, 2026 and up to the Latest Practicable Date.

Our Directors have confirmed that there were no material covenants on any of our outstanding debts and that we had no default in repayment or breach of covenants during the Track Record Period and up to the Latest Practicable Date that, in each case, had any material adverse effect on our business operations of financial condition. Our Directors have further confirmed that we did not experience any difficulty in obtaining bank loans and other borrowings or default in repayment of bank loans and other borrowings during the Track Record Period and up to the Latest Practicable Date.

### CAPITAL EXPENDITURES

We regularly incur capital expenditures to purchase property and equipment and intangible assets. Historically, we have funded our capital expenditures mainly through capital contribution from shareholders and proceeds from borrowings. The following table sets forth our capital expenditures for the year indicated:

|                                                         | For the Year Ended December 31, |              | Four months ended April 30, |             |
|---------------------------------------------------------|---------------------------------|--------------|-----------------------------|-------------|
|                                                         | 2024                            | 2025         | 2025                        | 2026        |
|                                                         |                                 |              |                             | (unaudited) |
|                                                         | (RMB in thousands)              |              |                             |             |
| Payments for purchase of<br>property and equipment . .  | 437                             | 1,157        | 163                         | 81          |
| Payments for purchase of<br>intangible assets . . . . . | 827                             | 1,132        | 791                         | —           |
| <b>Total . . . . .</b>                                  | <b>1,264</b>                    | <b>2,289</b> | <b>954</b>                  | <b>81</b>   |

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We expect that our capital expenditures for the year ending December 31, 2026 will be primarily related to our proposed development of manufacturing facility. We plan to fund our planned capital expenditures mainly through a combination of bank loans and the [REDACTED] from the [REDACTED]. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

### CAPITAL COMMITMENTS

As at December 31, 2024, we were committed to enter into a new lease of five years that had not yet commenced, the lease payments under which amounted to RMB3.5 million per annum. Such lease arrangement commenced on July 1, 2025.

As of December 31, 2025 and April 30, 2026, we did not have any material commitments.

### FINANCIAL RISK MANAGEMENT

We are exposed to credit, liquidity and currency risks in the normal course of our business. We are not exposed to significant interest rate risk. For details on our management of such financial risks, please see Note 26 to the Accountants’ Report.

### OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

### RELATED PARTY TRANSACTIONS

For details about our material related party transactions during the Track Record Period, see Note 28 to the audited financial statements set out in Appendix I to this document.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm’s-length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

### 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 [REDACTED] 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, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. Taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. 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.

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### WORKING CAPITAL

The Directors are of the opinion that, taking into account the financial resources available to us, including (i) our existing cash, (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 [REDACTED] 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.

### DISTRIBUTABLE RESERVES

As of April 30, 2026, we did not have any distributable reserves.

### [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 [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 issue 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.

### UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

For details on our unaudited [REDACTED] adjusted net tangible assets, please see Appendix II to this document.

### RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We continued investing in the research, 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.

## FINANCIAL INFORMATION

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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 information shown in the Accountants’ Report as set out in Appendix I to this document.

### DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.