

RISK FACTORS

An [REDACTED] in our H Shares involves various risks. You should carefully consider all of the information set forth in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. Particularly, we are a biopharmaceutical company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the biopharmaceutical industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your [REDACTED] in our H Shares. The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this Document. You should seek professional advice from your relevant advisors regarding your [REDACTED] in the context of your particular circumstances.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to the development, clinical trials and regulatory approval of our product candidates, (ii) risks relating to manufacturing and commercialization of our product candidates, (iii) risk relating to our financial position and need for additional funding, (iv) risks relating to our intellectual property rights, (v) risks relating to our business and industry, (vi) risks relating to doing business in the jurisdictions where we operate, and (vii) risks relating to the [REDACTED]. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO THE DEVELOPMENT, CLINICAL TRIALS AND REGULATORY APPROVAL OF OUR PRODUCT CANDIDATES

If we are unable to successfully complete clinical development, obtain regulatory approval and/or commercialize our product portfolio, including our Core Product, or if we experience delays in any of the foregoing, our business, financial conditions, results of operations and prospects will be materially and adversely affected.

The biopharmaceutical industry is highly competitive and subject to rapid technological change. We will face significant competition with respect to any product candidate that we develop or seek to commercialize. Many of our product candidates will face competition from existing therapies or new products in development by major international and domestic biopharmaceutical companies targeting the same indications or biological targets. For example, our Core Product IMC002 (a CAR-T therapy directed to Claudin-18.2) may face competition from other Claudin-18.2 targeting therapies being developed globally, as well as from established immune-oncology treatments; and our other products, including IMC001 (a CAR-T therapy directed to EpCAM), may face competition from other CAR-T therapies with the same or similar targets as well as from EpCAM- and Claudin-18.2 targeting therapies more broadly. If our competitors develop therapies that are more effective, safer, or reach the market faster than our product candidates, or if they achieve better market acceptance, our ability to commercialize our product candidates successfully could be significantly hindered. This intense competition could materially and adversely affect our financial condition, results of operations and business prospects.

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Clinical development of biopharmaceutical products involves a lengthy, difficult and expensive process with uncertain outcomes, and results of earlier clinical studies and trials may not be predictive of future trial results.

Clinical development of biopharmaceutical products is capital-intensive and may demand years of effort to complete, while its outcomes are inherently uncertain and may not be favourable. We may encounter unexpected difficulties while executing our clinical development plans for our product candidates. Failure can occur at any time or stage during the clinical development process, which would result in a material and adverse effect on our business, financial conditions and results of operations.

Furthermore, the results of preclinical studies and early clinical trials may not be predictive of the success of later-phase clinical trials, and favourable initial or interim results of a clinical trial do not necessarily indicate the success of final results. Many companies in the biopharmaceutical industry have experienced significant setbacks in advanced clinical trials due to unsatisfactory efficacy or adverse safety profiles, notwithstanding promising results in earlier trials.

There may be significant variability in safety or efficacy results among different trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in sizes and demographics of the enrolled patients (such as genetic differences and patient adherence to the dosage regimen) and the dropout rate among enrolled patients in clinical trials. Differences in the number of clinical trial sites and countries involved may also lead to variability among clinical trials. Therefore, the results of planned clinical trials or other future clinical trials could be significantly different and deviate from our expectation, which could result in delays in the completion of clinical trials, regulatory approvals and the commencement of commercialization of our product candidates.

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

Before obtaining regulatory approvals for the commercialization of our product candidates, we must conduct extensive clinical trials to demonstrate their safety and efficacy in humans. If the results of clinical trials of our product candidates are not positive or only modestly positive for the proposed indications, or if they raise safety concerns, any or some of the following could occur:

- regulatory approvals for our product candidates would be delayed or denied, or we may be required to conduct additional clinical trials or other testing of our product candidates beyond our current development plan;
- we may be required to add labelling statements, such as a “boxed” warning or a contraindication, or we may be required to create a medication guide outlining the risks of the adverse effects for distribution to patients;
- we may be required to implement a risk evaluation and mitigation strategy program, including medication guides, doctor communication plans and other risk management tools with restricted distribution methods and patient registries;
- we may not be able to obtain regulatory approvals for all the proposed indications as intended, or we may be subject to restrictions on how the product is distributed or used;
- we may be sued or held liable for injury caused to individuals exposed to or taking our product candidates; or

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- conditional regulatory approval of our product candidates may require us to conduct confirmatory studies to verify the predicted clinical benefit and additional safety studies. The results from such studies may not support the clinical benefit, which would result in the approval being withdrawn.

If our product candidates ultimately fail to receive regulatory approvals due to unsatisfactory clinical trial results, our business, financial condition, results of operations and prospects would be materially and adversely affected.

Our product candidates may cause undesirable adverse events.

Undesirable adverse events caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or in the delay or denial of regulatory approval by the NMPA, FDA and other comparable regulatory authorities. There is a risk that ongoing or future clinical trials may identify unforeseen adverse effects or more severe side effects. These potential risks could affect the broader clinical applicability of our product candidates and their use in combination therapies. In such an event, our clinical trials could be suspended or terminated and the NMPA, FDA and other comparable regulatory authorities could order us to cease further development of, or deny approval of, our product candidates for any or all targeted indications.

Product-related adverse events could affect patient recruitment or the ability of enrolled subjects to complete the trial and could result in potential product liability claims. Additionally, if one or more of our product candidates ultimately receives regulatory approval and undesirable side effects are subsequently identified, several potentially significant negative consequences could result. For example, in such cases, we may suspend marketing of the product; regulatory authorities may withdraw approvals of the product; regulatory authorities may require additional warnings on the label; and we may be required to develop risk evaluation and mitigation measures for the product or, if risk evaluation and mitigation measures are already in place, to incorporate additional requirements under such programs.

Any of these occurrences may harm our reputation, business, financial condition, results of operations and prospects significantly.

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

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enrol a sufficient number of patients or participants who remain in the trial until their conclusion. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enrol a sufficient number of eligible patients or participants to participate in these trials, or if there are delays in the enrolment of eligible patients or participants as a result of the competitive clinical enrolment environment. We may experience difficulties in patient enrolment in our clinical trials for a variety of reasons. In addition, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients or participants who would otherwise be eligible for our clinical trials may instead enrol in the clinical trials of our competitors' product candidates, which may further delay our clinical trial enrolments. Even if we are able to enrol a sufficient number of patients or participants in our clinical trials, any delays or difficulties encountered during the enrollment process could adversely impact our clinical development progress (including stage progression), resulting in increased costs, obstacles to trial completion, and disrupted timelines for planned trials, all of which would hinder our ability to advance our product candidates.

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We may fail to sufficiently and promptly respond to and adapt to rapid scientific and technological changes, clinical demand and market changes in the industry, and we may be unable to establish strong market presence in this industry for a variety of reasons.

The global CAR-T therapy industry is characterized by advances in science and technology and the emergence of new treatment options. Our future success partially depends on our ability to launch new products that meet evolving market demands, in particular, new products that are effective in treating solid tumors. If we are unable to sufficiently and promptly respond to changes in clinical demand and purchasing patterns in the future, it may have an adverse effect on our business, financial conditions, results of operations and profitability.

The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, our business will be materially impaired.

The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities depend on numerous factors, some of which may be outside our control. Generally, such approvals take years to be obtained following the commencement of preclinical studies and clinical trials. For instance, while we expect our product candidates to benefit from regulatory support for innovative therapies in China, the actual timeline for approval remains uncertain. Approval policies, regulations or the type and amount of clinical data necessary to gain approval may change in the future during the course of development and may vary among jurisdictions. For example, the implementation of Management of Clinical Research and Clinical Translation of New Biomedical Technologies (《生物醫學新技術臨床研究和臨床轉化應用管理條例》) since May 2026 and other applicable regulations may subject IITs of our product candidates to additional compliance requirements. Any regulatory non-compliance or adverse regulatory developments could delay, suspend or otherwise adversely affect our clinical development activities.

We cannot guarantee that we will be able to obtain regulatory approvals for our product candidates we may discover, in-license or acquire and seek to develop in the future. Our product candidates could fail to receive regulatory approval of the NMPA, FDA or a comparable regulatory authority for many reasons, including but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe, effective and potent for its proposed indication;
- failure of our clinical trial results to meet the level of statistical significance required for approval;
- failure of our clinical trial process to pass relevant GCP inspections;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- insufficient data collected from the clinical trials of our product candidates to support the submission and filing of an NDA or other applications to obtain regulatory approval;
- failure of the manufacturer of our product candidates to pass GMP inspections during the regulatory review process or across the production cycle; and
- failure of our clinical trial sites to pass audits carried out by the NMPA, FDA or other regulatory authorities.

Any of these issues could result in delays or outright failure to obtain marketing approval, which would materially and adversely affect our business, financial condition, results of operations and prospects.

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We work with various third parties to develop our product candidates. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for, or commercialize, our product candidates, and our business, financial condition and results of operations could be materially and adversely affected.

We have worked with and may continue to work with third parties on our ongoing preclinical and clinical programs. For example, we work with contract research organizations (“CROs”), clinical trial sites, consultants and other third parties to monitor, support and/or conduct preclinical studies and clinical trials of our product candidates. We work with these parties to execute our preclinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocols, legal and regulatory requirements and scientific standards, and our collaboration with the CROs does not relieve us of our regulatory responsibilities. If we or any of our CROs or clinical investigators fail to comply with the applicable GCP, we could be required to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with these third-party CROs terminates, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. Switching or adding additional CROs involves additional cost and delays, which can materially and adversely affect our ability to meet our desired clinical development timelines. Any of the foregoing events may cause cost increases, restrict our ability to generate revenue and have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Our relationships with principal investigators, key opinion leaders, physicians and experts play an important role in our research and development and future commercialization of our product candidates. We have established interaction channels with PIs, KOLs, physicians and experts to gain first-hand knowledge of clinical needs and clinical practice trends, which is critical to our ability to develop innovative and market-responsive therapies.

However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with our PIs, KOLs, physicians and experts, or that our efforts to maintain or strengthen such relationships will yield the successful development and commercialization of our product candidates. Moreover, we cannot assure you that our academic collaborations or scientific promotion activities will continue to serve as an effective development or marketing strategy. If we are unable to develop our product candidates or generate returns from our relationships with business partners as anticipated, our business, financial condition, results of operations and prospects may be materially and adversely affected.

All material aspects of the research, development and commercialization of our product candidates are heavily regulated. Any failure to comply with relevant laws and regulations may adversely affect our business, financial condition, results of operations and prospects.

The jurisdictions in which we operate or intend to operate strictly regulate the biopharmaceutical industry, and in doing so they implement extensive regulations governing the development, approval, manufacturing, marketing, sales and distribution of biopharmaceutical products. Efforts to adapt to the differences in these regulatory regimes impose a complex and costly regulatory compliance burden on us.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires spending of substantial time and financial resources. Any recently enacted and future legislation may increase the difficulty and cost of us to obtain regulatory approval of, and commercialize, our product candidates, and affect the prices we may obtain.

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Changes in government regulations or in practices relating to the biopharmaceutical industry, such as a relaxation in regulatory requirements; the introduction of simplified approval procedures, which would lower the entry barrier for potential competitors; or an increase in regulatory requirements, which may increase the difficulty for us to satisfy such requirements, may have a material and adverse impact on our business, financial conditions, results of operations, and prospects.

Failure to comply with the applicable requirements at any time during the product development process or approval process, or after approval, may subject us to administrative or judicial sanctions. Any occurrence of the foregoing could therefore materially and adversely affect our business, financial conditions, results of operations and prospects.

We may not be able to identify or discover product candidates, or to identify additional therapeutic opportunities for our product candidates.

We may fail to identify product candidates for clinical development for a number of reasons. For example, our research methodology may be unsuccessful in identifying potential product candidates with desirable safety and efficacy profiles, or those we identify may later be shown to have unfavourable pharmacological properties or manufacturing challenges that make them unmarketable or unlikely to receive regulatory approval. We have devoted significant resources to the discovery and optimization of our proprietary CAR-T cell therapy and cell technology platforms, and we cannot guarantee that we will be successful in identifying new product candidates with sufficient clinical potential.

Research programs to pursue the development of our product candidates for additional indications and to identify new product candidates and targets require substantial technical, financial and human resources. Our research programs may initially show promise in identifying potential indications and/or product candidates, yet fail to yield results suitable for further development for a number of reasons.

Accordingly, there can be no assurance that we will be able to identify additional therapeutic opportunities for our product candidates or to develop suitable potential product candidates through internal research programs, which could materially adversely affect our future growth and prospects. We may focus our efforts and resources on potential product candidates or other research programs that ultimately prove to be unsuccessful.

RISKS RELATING TO MANUFACTURING AND COMMERCIALIZATION OF OUR PRODUCT CANDIDATES

The manufacturing process of our cell-based products is highly complex, and our business could be materially and adversely affected if we encounter problems in manufacturing our product candidates or fail to comply with regulatory requirements.

The process of manufacturing our product candidates is complex and, for our current CAR-T product candidates, individualized, which includes harvesting T cells from patients, genetically modifying the T cells *ex vivo*, multiplying the T cells to obtain the desired dose, and ultimately infusing the T cells back into a patient’s body. As a result of the complexities, the manufacturing process is less reliable and is more difficult to maintain consistency compared to the manufacturing process of traditional small molecule chemical compounds, antibodies or recombinant protein drugs. We cannot assure you there will not be any error during the manufacturing processes. If for any reason a patient’s T cells are contaminated or the T cells are injured during the manufacturing process or storage, the manufacturing process for that patient will need to be restarted and the resulting delay may adversely affect that patient’s outcome.

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We may also encounter product variations in the manufacturing process, which may adversely impact patient outcomes. Such variations may be caused by a variety of reasons, such as logistical issues associated with the collection of white blood cells, or starting material, from the patient, shipping such material to the manufacturing site, shipping the final product back to the patient, and infusing the patient with the product, manufacturing issues or different product characteristics resulting from the differences in patient starting materials, variations between reagent lots, interruptions in the manufacturing process, contamination, equipment or reagent failure, improper installation or operation of equipment, vendor or operator error, inconsistency in cell growth, and variability in product characteristics. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects, and other supply disruptions, which in turn may have material adverse impact on our business operations.

Failure to obtain and maintain regulatory approvals for our manufacturing facilities, or any disruption or suspension of our manufacturing activities, may affect our business and results of operations.

We have been engaged in clinical scale manufacturing of our product candidates at our own facilities in Suzhou, China. Our existing and future manufacturing facilities are required to obtain and maintain regulatory approvals. They are also subject to ongoing, periodic inspection by the NMPA or other comparable regulatory authorities to ensure compliance with GMP regulations. Failure to obtain and maintain such regulatory approvals of our manufacturing facilities may subject us to sanctions such as fines, injunctions, penalties, suspension of clinical trials, refusal of regulatory authorities to grant marketing approval of our product candidates, delay, suspension or withdrawal of issued approvals, supply disruptions, seizures or recalls of our product candidates, operating restrictions and criminal prosecutions, any of which may have an adverse effect on our business.

We may also encounter problems with achieving adequate or clinical-grade products that meet the standards or specifications promulgated by the NMPA or other comparable regulatory agency, maintaining consistent and acceptable production costs, experiencing shortages of qualified personnel, raw materials or key contractors, or experiencing unexpected damage to our facilities or the equipment. Any such incidents may cause us to delay or suspend our manufacturing activities. We may not be able to secure temporary, alternative manufacturers for our product candidates with the terms, quality and costs acceptable to us, or at all. Such an event could delay our clinical trials and/or the availability of our product candidates for commercial sale once approved for marketing. Moreover, we may need to devote significant resources to remedy these deficiencies before we can continue production at our manufacturing facilities, which would divert our limited resources and management attention from other critical operations and may adversely affect our business and results of operations.

If we fail to expand, construct or operate our commercial manufacturing facilities as planned, our operating results could be adversely affected.

To cater to the anticipated market demand for our CAR-T product candidates, once they are approved by the NMPA, the FDA or other comparable regulatory authorities for marketing, we plan to expand our manufacturing facility. For additional information, see “Business — Chemistry, Manufacturing and Controls — Manufacturing.”

In expanding or constructing our manufacturing facilities, we may experience unforeseen delays due to our failure to obtain funding, disrupted or delayed construction, or regulatory issues. Construction of new facilities, particularly for usage in the biopharmaceutical industry, is a complex and challenging process. We cannot assure you that our facility expansion or construction projects will be completed as planned. Further costs of construction could also exceed budget, divert resources from other productive uses and consume significant amounts of management time, therefore adversely affect our operating results.

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In addition, we may not be able to fully utilize our expanded or newly constructed facilities immediately or at all. Among others, such facilities will be required to pass the GMP inspections conducted by relevant regulatory authorities before we are allowed to produce our product or product candidates for commercialization or clinical trials. There is no guarantee that we will be able to pass such inspections. If we are not able to obtain or maintain the necessary regulatory approvals, we would experience delays in operating our facilities, which would adversely affect our manufacturing ability, our results of operations, and future successful commercialization of our product candidates.

Further, as operating our manufacturing facilities requires specialized skills and practical experience, we may not be able to recruit additional employees with the relevant experience required to operate our equipment or work at our facilities immediately or at all, therefore prohibiting us from optimizing the utilization of our facilities. Such inefficiency may result in the costs associated with expanding or constructing our facilities outpace the increase in future revenues resulting from the manufacturing activities. As a result, even if our proposed expansion or construction plans are successfully carried out, our business, financial condition and results of operations may be adversely affected by our inability to optimize the utility of our facilities.

Changes of manufacturing process may incur additional costs or adversely affect our clinical development and commercialization efforts.

We may need to change our manufacturing process at various points during product development and even after commercialization for a number of reasons, such as to control costs, achieve scale, decrease processing time, increase manufacturing success rate, among others. Changes to our manufacturing process bear certain risks, such as potential failure to achieve the intended objectives, or causing our product candidates to perform differently which affects the results of our clinical trials or post-marketing surveillance. We may also make further changes to our manufacturing process before or after commercialization, and such changes may require us to show the comparability of the resulting product to the product candidate used in the clinical trials using earlier processes. We may be required to collect additional clinical data from any modified process prior to obtaining marketing approval for the product candidate produced with such modified process. If clinical data are not ultimately comparable to those seen in the earlier trials or earlier in the same trial in terms of safety or efficacy, we may be required to make further changes to our process and/or undertake additional clinical testing, either of which could incur additional costs, significantly delay the clinical development or commercialization of the relevant product candidate.

We may not be successful in achieving commercial-scale manufacturing that provides for an attractive margin, and we may not be successful in manufacturing product candidates in sufficient quantities for commercial use.

We had limited experience in carrying out large-scale commercial manufacturing as of the Latest Practicable Date. Therefore, we may underestimate the cost and time required to manufacture our product candidates in large, commercial scale, or overestimate cost reductions from economies of scale that we expect to realize with our manufacturing processes. We may ultimately be unable to manage the costs of production for our product candidates to levels that will allow for a margin in line with our expectations and return on investment if and when those product candidates are commercialized. In addition, there are risks associated with scaling to the level required for advanced clinical trials or commercialization, including, among others, cost overruns, potential problems with process scale-out, process reproducibility, stability issues, lot consistency, timely availability of reagents or raw materials, and the timing of bringing facilities online or otherwise expanding capacity. We will also need to continue improving our quality management system to reduce human error and ensure stable and consistent supply of high-quality CAR-T product candidates.

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Moreover, even if we are successful in developing our manufacturing capabilities sufficient for commercial supply, our manufacturing capabilities could be affected by cost overruns, unexpected delays, equipment failures, labour shortages, operator error, natural disasters, availability of qualified personnel, difficulties with logistics and shipping, problems regarding yields or stability of product, contamination or other quality control issues, power failures, and numerous other factors that could prevent us from realizing the intended benefits of our manufacturing strategy and have a material adverse effect on our business.

We may not be able to maintain effective quality control over our product candidates.

The quality of our product candidates will depend significantly on the effectiveness of our quality control and assurance systems, which in turn depend on factors such as the production processes used in our manufacturing facilities, the quality and reliability of equipment, and the training of our staff. We cannot assure you that our quality control and assurance procedures will consistently prevent and resolve deviations. Any failure or deterioration of our quality control could render our product candidates unsuitable for use, result in gaps in our processes, jeopardize GMP certifications, and/or harm our reputation and business relationships. Such developments could materially and adversely affect our business, financial condition, results of operations and prospects.

We intend to work with third parties for the commercialization of our product candidates. We may fail to identify competent third parties for such purposes, fail to achieve the expected synergies with the clinical development partners, and have little or no control over the marketing and sales efforts of the commercialization partners.

We may pursue collaborative arrangements regarding the sales and marketing of our product candidates in China and overseas. As of the Latest Practicable Date, we had not entered into any commercialization arrangement for our product candidates. As we seek to establish these collaborations, we may face challenges in identifying capable third-party partners who can effectively support commercialization. Even if we are able to establish such relationships, we may have limited control over their marketing and sales efforts, which could impact our ability to achieve expected revenue. Additionally, we cannot guarantee that we will be able to establish or maintain collaborations with third parties within the desired timeframe, or at all, which could delay or prevent the successful commercialization of our product candidates and the generation of product revenue.

We may not achieve the expected revenue and cost synergies from such collaborations. Disputes may also arise between us and our collaboration partners. Such disputes may cause delay or termination of commercialization of our product candidates after their market launch or may result in costly litigation or arbitration that diverts management attention and resources. Any of the foregoing may materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our estimates regarding eligible patient populations, pricing and available coverage and reimbursement determine our estimated market size, which may differ significantly from the actual market addressable by our product candidates. These estimates, based on patient foundations, market research and other sources, may prove to be inaccurate. Further, new studies may change the estimated incidence or prevalence of the diseases we are targeting. As a result, the number of patients who may benefit from our product candidates may be lower than expected, and the overall addressable patient population may be more limited. If the market opportunities for our product candidates are smaller than we anticipate, our business, financial condition, results of operations and prospects could be materially and adversely affected.

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Our product candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community necessary for commercial success.

Even if we are able to receive the requisite regulatory approvals for our product candidates, such products may fail to gain sufficient market acceptance by physicians, patients, third-party payers and other relevant parties in the medical community. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant revenue from our portfolio and may not become profitable.

The degree of market acceptance of product candidates will depend on a number of factors. If our product candidates are approved but fail to achieve market acceptance among physicians, patients, hospitals or other parties in the medical community, we will not be able to generate significant revenue. Even if we achieve initial acceptance, we may be unable to maintain it over time if new products or technologies are introduced that are more favourably received, more cost-effective, or render our products obsolete.

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

The successful commercialization of our product candidates will depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities and/or third-party payers, such as private health insurers and health maintenance organizations. The regulations that govern reimbursement for new therapeutic products vary substantially from country to country.

In China, the National Reimbursement Drug List (“NRDL”) and Provincial Reimbursement Drug Lists (“PRDLs”) include products under the National Medical Insurance Catalogue, which affect the amounts reimbursable to program participants. There can be no assurance that any of our product candidates will be included in the NRDL or PRDLs after initial approval for commercialization. If we fail to have our product candidates included, our commercial revenues would rely heavily on patient self-payment, which could make our products less competitive.

A key trend in the global biopharmaceutical industry is cost containment. Government authorities and third-party payers have increasingly sought to limit coverage and reimbursement amounts for particular medications. Even if our product candidates are successfully included in reimbursement programs such as the NRDL or PRDLs, our net revenue from sales may decrease as a result of price reductions required for inclusion, or future policies imposing deeper-than-expected price cuts. Third-party payers may also require us to provide predetermined discounts or challenge the prices charged for our products.

We cannot assure you that reimbursement will be available for our product candidates, or that the level of reimbursement will be sufficient to support their successful commercialization. Reimbursement may impact demand for our product candidates, as the higher costs associated with products administered under physician supervision may reduce uptake. If reimbursement is not available, or only at limited levels, we may not be able to commercialize our product candidates effectively.

There may also be significant delays in obtaining reimbursement coverage. Reimbursement may be limited to the approved indications of the product candidates by the NMPA, FDA or comparable authorities. Moreover, reimbursement does not imply that all costs will be covered, as patients may be required to bear a portion of expenses such as administration, distribution or supportive care. Net prices for products may also be adversely impacted by policies weakening IP protection, parallel imports, or government-mandated price negotiations.

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If we cannot obtain or maintain reimbursement coverage at intended payment rates from both government programs and private payers for our product candidates, our business, financial condition, results of operations and overall prospects could be materially and adversely affected.

RISK RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL FUNDING

We have incurred net losses since our inception and expect to continue to incur losses for the foreseeable future; we may never achieve or maintain profitability.

We have devoted substantial financial resources to research and development of our product candidates and have not generated any revenue from product sales to date. As a result, we have incurred net losses since our founding. In particular, our net losses were RMB71.3 million, RMB114.8 million and RMB108.9 million in 2024, 2025 and for the six months ended June 30, 2026, respectively, and we expect to continue to record net losses in the near term. Investment in biopharmaceutical product development is highly speculative. We anticipate that our expenses will continue to increase as we advance clinical trials, seek regulatory approvals, build commercial capabilities, and expand our pipeline. These expenditures may not result in commercially successful products.

Even if we eventually generate some revenues, there is no guarantee that we will become or remain profitable. If any of our product candidates fails in clinical development or does not gain regulatory approval or market acceptance, we may be unable to generate any revenue from it. Our failure to become and remain profitable could cause you to lose substantially all of your investment in us.

We had net operating cash outflows during the Track Record Period and expect to continue to incur significant cash outflows in the foreseeable future.

Since our inception, our operations have consumed substantial amounts of cash. We had net cash used in operating activities of RMB59.6 million, RMB98.1 million and RMB101.6 million in 2024, 2025 and for the six months ended June 30, 2026, respectively. We expect to continue experiencing net cash outflows from operating activities in the foreseeable future.

Accordingly, any inability to obtain additional funding when required could materially and adversely affect our business, financial condition, results of operations and prospects.

We may encounter difficulties in managing our anticipated growth or expanding our operations successfully.

As we continue to advance our product candidates through clinical trials to eventually achieve commercialization, we will need to expand our development, regulatory, manufacturing and commercialization capabilities or contract with third parties to provide these capabilities for us. In addition, we may need to manage additional relationships with various strategic partners, suppliers and other third parties. Future growth will impose significant additional responsibilities on our management. Our future financial performance and our ability to commercialize our product candidates and to compete effectively will depend, in part, on our ability to manage any future growth effectively. We cannot assure you that we will be able to successfully develop and commercialize our product candidates and build suitable, or procure from external providers, manufacturing, sales, marketing and managerial functions to meet our growth targets. Our inability to accomplish any of these tasks could prevent us from successfully growing our Company.

Managing our growth and executing our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive global biopharmaceutical market, effective coordination and integration of our teams across different sites, successful hiring and training of personnel, effective cost control, sufficient

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liquidity, effective and efficient financial and management control, increased sales and marketing activities, enhanced quality control, and proper management of our suppliers and business partners. If we are not able to effectively manage our growth or execute our growth strategies, our business, financial conditions, results of operations and prospects could be adversely affected.

Share-based payment may cause shareholding dilution to our existing Shareholders and have a material and adverse effect on our financial performance.

We have granted share-based payments to, among others, attract and retain outstanding individuals, and we may continue to grant share-based payment to employees in the future. In 2024, 2025 and for the six months ended June 30, 2025 and 2026, we incurred share-based payment expenses of RMB1.2 million, RMB6.9 million, RMB0.6 million and RMB4.6 million, respectively. We may re-evaluate the vesting schedules, lock-up period, exercise price or other key terms applicable to the payments under our currently effective share incentive plans and any subsequently adopted employee stock ownership plan from time to time. If we choose to do so, we may experience substantial change in our share-based payment charges. In addition, such past and future payments may dilute the shareholding percentage of our existing Shareholders and could result in a decline in the [REDACTED] of our H Shares.

We have not generated any revenue from the sales of our products, and our ability to generate revenue and achieve profitability depends significantly on the successful development and commercialization of our product candidates.

We currently have no products approved for commercial sale, have not generated any revenue from product sales, and do not anticipate generating any such revenue until after obtaining the requisite regulatory approvals for the commercialization of our product candidates.

Even if one or more of our product candidates is approved for commercial sale, we anticipate incurring significant costs associated with commercialization. Our expenses could exceed expectations if regulators require us to change our manufacturing processes, perform additional studies, or comply with new standards.

Our revenue will also depend on the size of the market for the approved indication, the price of the product, the scope of coverage by reimbursement programs, and the willingness of patients to pay out-of-pocket. If the approved indication is narrower than expected, or if competition, clinical guidelines or physician choice reduces the addressable patient pool, we may not be able to generate significant revenue from sales of our product candidates. If we are unable to generate sufficient revenue from the sale of any approved products, we may never achieve profitability.

We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our product candidates.

During the Track Record Period, we financed our operations, including research and development activities, through bank loans and equity financing. As of December 31, 2024, December 31, 2025 and June 30, 2026, our interest-bearing bank borrowings were RMB44.9 million, RMB13.5 million and nil, respectively. We expect to continue incurring significant cash requirements to support the development of our product candidates, and upon commercialization, to fund working capital and operating expenses.

We may need to obtain substantial additional capital to meet our ongoing operating and capital requirements, especially to fund our research and development activities, clinical trials, regulatory submissions, commercialization of product candidates, and manufacturing capabilities.

RISK FACTORS

We may seek additional funding through equity offerings, debt financings, licensing and collaboration arrangements, or other sources. Such funding may not be available on terms favourable to us, or at all. Any equity financing could dilute the interests of our shareholders, while debt financing could increase our repayment obligations and subject us to restrictive covenants, including limitations on incurring additional debt, licensing intellectual property, or entering into other transactions.

Our ability to raise funds will also depend on prevailing market conditions and factors beyond our control. If adequate funds are not available, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, R&D activities or commercialization efforts for one or more of our product candidates, which could materially and adversely affect our business, financial condition, results of operations and prospects.

If we enter into collaboration or licensing arrangements to raise capital, we may be required to accept unfavourable terms, including relinquishing or licensing to third parties our rights to technologies or product candidates that we would otherwise seek to develop or commercialize independently or reserve for future collaborations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We could be unsuccessful in obtaining or maintaining adequate patent protection for one or more of our product candidates and our technology platforms, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

Our commercial success will depend, in large part, on our ability to obtain and maintain patent and other intellectual property protection with respect to our product candidates and technology platforms. As of the Latest Practicable Date, we held 12 patents and 44 patent applications. We cannot be certain that patents will be issued or granted with respect to our pending applications, or that issued or granted patents will not later be found to be invalid or unenforceable, or interpreted in a manner that does not adequately protect our product candidates, or otherwise provide us with any competitive advantage. The patent position of biotechnology and biopharmaceutical companies is generally uncertain because it involves complex legal and factual considerations. Patent applications we have applied for may not be granted in the end. As such, we do not know the degree of future protection that we will have on our products and technology, if any, and a failure to obtain adequate intellectual property protection with respect to our product candidates could have a material adverse impact on our business.

Our product discovery and development efforts involve significant risks of intellectual property disputes, and third parties may allege that we are infringing on their patents or other proprietary rights.

As the biotechnology and biopharmaceutical industries expand and more patents are issued, the risk increases that our current or future product candidates may be claimed to infringe upon the intellectual property rights of others. If any third party asserts that our products, processes or technologies violate their patents, trade secrets or other IP rights, we would likely have to dedicate significant time and resources to defend against such claims. Patent litigation and other intellectual property proceedings can be protracted, expensive, and unpredictable. Even allegations without merit could force us to divert management attention and incur substantial legal costs. If we were found to infringe a valid patent of another party, we could be required to pay significant damages or license fees, and potentially be enjoined from further developing, manufacturing or selling the affected product. We might also need to seek a license to the third-party's intellectual property, which may not be available on reasonable terms, or at all. Any such outcome would have a material adverse effect on our business, financial condition and prospects.

RISK FACTORS

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

We rely on patent rights and other forms of intellectual property protection for our product candidates, including our Core Product and other product candidates under development. To obtain and maintain such patent rights, we are required to pay maintenance fees, renewal fees, annuity fees and various other governmental fees in multiple jurisdictions.

In some cases non-compliance may result in the abandonment or lapse of our patents or patent applications, or the loss of priority, which could lead to partial or complete loss of patent protection in the relevant jurisdiction. Such events may occur, for example, if we fail to respond to official actions within prescribed deadlines, fail to properly submit required documents, or fail to make timely fee payments.

If any of our patents or patent applications covering our product candidates were to lapse, be abandoned or otherwise be invalidated, our ability to protect our innovations would be materially compromised. This could enable competitors or third parties to gain access to our proprietary technologies, enter the market with similar products, and adversely affect our competitive position, business, financial condition, results of operations and prospects.

We may not be able to protect our intellectual property rights throughout the world or prevent unfair competition by third parties.

We rely on patent protection for our product candidates, including our Core Product. However, patent rights differ across jurisdictions and may be weak, unavailable or subject to challenge, invalidation or circumvention. In markets where we lack adequate protection, competitors may develop or commercialize competing products, or export infringing products into our target markets. Defending our rights globally could be costly and uncertain, and failure to do so may adversely affect our business, financial condition, results of operations and prospects.

We may from time to time be involved in lawsuits to protect or enforce our intellectual property rights, which could be costly, time-consuming and uncertain, and could delay the development or commercialization of our product candidates.

Litigation relating to patents and other intellectual property rights is common in the biopharmaceutical industry and inherently uncertain. Even if ultimately successful, any such proceedings may result in substantial legal costs, reputational harm, and diversion of management and employee resources. Moreover, discovery procedures may require disclosure of our confidential information, which could adversely affect us. Competitors may infringe our patents or challenge their validity or enforceability. To counter infringement or unauthorized use, we may be required to initiate legal proceedings, which are costly and time-consuming. An adverse outcome could result in one or more of our patents being invalidated, narrowed, or not issued, thereby affecting the protection of our product candidates. Conversely, third parties may allege that our product candidates infringe their patents or other intellectual property rights. Even if we believe such claims lack merit, we may be required to obtain licenses, redesign our candidates, or cease related activities until the dispute is resolved, any of which could materially delay or prevent the commercialization of our product candidates. If third parties successfully assert intellectual property rights against us, we could be restricted from using certain technologies or barred from developing and commercializing our product candidates. Such prohibitions could be imposed by courts or through settlements, and we may be required to pay significant damages. Litigation in the biopharmaceutical sector is inherently uncertain, costly, and time-consuming, and we cannot assure you that we would prevail in such proceedings. Any unfavorable outcome could materially delay or prevent the development and commercialization of our product candidates.

RISK FACTORS

We may face intellectual property disputes with our business partners or other third parties.

We may be subject to claims from former employees, collaborators, contractors, or other third parties asserting inventorship, ownership, or other rights in relation to our patents or other intellectual property. In enforcing our rights, we may face counterclaims challenging the validity, ownership, or enforceability of our intellectual property covering the development, manufacturing, or commercialization of our product candidates. If unsuccessful in these proceedings, we could lose rights over key patents, or have such rights narrowed, invalidated, or rendered unenforceable. Such outcomes could materially affect our ability to develop and commercialize our product candidates.

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

We own certain registered trademarks, but may not always be able to secure or enforce protection across all jurisdictions relevant to our business. Our trademarks and trade names may be subject to opposition, cancellation, or claims of infringement, and could be challenged or declared generic. Failure to adequately protect our trademarks and trade names could impair our ability to build market recognition and brand value for our product candidates, particularly in competitive therapeutic areas. Over the long term, if we are unable to establish and maintain such recognition, our competitiveness and business prospects may be materially and adversely affected.

Intellectual property rights may not adequately protect our product candidates or ensure our competitive advantage.

Our success depends heavily on the strength of our intellectual property portfolio, particularly patents covering our product candidates. However, the degree of protection that patents and other intellectual property rights afford is inherently uncertain and may not adequately prevent competitors from developing similar or alternative technologies, or from challenging the validity of our rights.

Additionally, patents owned by others could adversely affect our ability to develop or commercialize one or more of our product candidates, or allow competitors to develop biosimilar products once our patents expire. Any of these risks could materially and adversely affect our business, financial condition, results of operations and prospects.

Patent protection is limited, and third parties may circumvent our patents or develop competing products once our patents expire, which could materially and adversely affect our ability to commercialize our product candidates.

The protection afforded by patents is inherently limited. In China, invention patents are generally valid for 20 years from the filing date, utility model patents for 10 years from the filing date, and design patents for 15 years from the filing date (for applications filed on or after June 1, 2021), in each case subject to the timely payment of maintenance fees. Even if we successfully obtain patent protection for our product candidates, including our Core Product, competitors may seek to challenge the validity, scope or enforceability of our patents, or develop generic or biosimilar products that compete directly once our patents expire. As a result, we may not be able to develop or market the relevant product exclusively, materially adversely affecting potential sales of our Core Product. Upon expiration of our issued patents or patents that may issue from our pending applications or licensed intellectual property rights, we will not be able to assert such patent rights against potential competitors, and our business and results of operations may be adversely affected.

Because the development and regulatory approval process for our product candidates is lengthy, the patent term protecting certain product candidates may expire before or shortly after commercialization. Patent term extensions, if available, are subject to regulatory discretion and may not provide sufficient protection to prevent competitors from entering the market. As a result, our ability to exclusively market our product candidates could be materially and adversely affected,

RISK FACTORS

which may significantly limit any potential sales and profitability of our products. Moreover, some of our patents and patent applications may be co-owned with third parties. If we cannot obtain an exclusive license to such co-owners’ interests, they may license their rights to our competitors, who could market competing products. In addition, we may need co-owner’s cooperation to enforce such patents, which may not be provided to us. Any of the foregoing could materially adversely affect our competitive position, business, financial condition, results of operations, and prospects.

If we are unable to protect the confidentiality of our trade secrets or secure ownership of intellectual property developed by our employees, consultants and contractors, our business and competitive position could be materially harmed.

In addition to our patents, we rely on trade secrets and other proprietary information, including know-how and technological expertise, to protect our product candidates and maintain our competitive position. We seek to protect such information through confidentiality agreements with our employees, consultants, CROs and other third parties. However, these measures may not always be effective. Any breach of confidentiality obligations could result in the unauthorized disclosure or use of our trade secrets, and we may not have adequate remedies to prevent such disclosure. If our trade secrets are independently developed or lawfully obtained by a competitor, we may have no effective means to stop them from competing with us.

Moreover, many of our employees and consultants have previously worked for other biopharmaceutical or biotechnology companies, including our competitors. We may face claims that our personnel have misappropriated such trade secrets or intellectual property. Defending against these claims could be costly, time-consuming, and distracting, and even if we ultimately prevail, we may suffer reputational harm or lose key personnel.

Further, while we generally require our employees, consultants and contractors to assign to us any intellectual property developed in the course of their engagement, these agreements may not always be self-executing or enforceable. If we fail to secure ownership of intellectual property that we regard as our own, or if such agreements are breached, we may lose valuable rights in our product candidates. Any of these circumstances could materially and adversely affect our business, financial condition, results of operations and prospects.

Changes in patent law could reduce the value of our intellectual property rights and impair our ability to protect our product candidates.

Patent laws and judicial interpretations in China, the United States, Europe and other jurisdictions are evolving and may narrow the scope, validity or enforceability of our existing and future patents. Such changes could reduce the commercial value of our patents, increase uncertainty in protecting our product candidates, and adversely affect our business and prospects.

We have in-licensed certain rights relating to a component of IMC002 from an independent third party, and if disputes arise under the related license agreement, it could have a material adverse effect on our business, results of operations and prospects.

We have in-licensed certain rights relating to a component of IMC002 from an independent third party. For further information, see “Business — Intellectual Property — In-licensed Intellectual Property Rights.” Our rights under the related license agreement are subject to our compliance with the terms of the agreement, and if we fail to comply with such terms, our counterparty may have the right to terminate the agreement, we may face claims for monetary damages or other penalties, or we may have to negotiate amendments to the agreement with terms less favorable to us including, potentially, licenses that are nonexclusive. While we would expect to exercise all rights and remedies available to us, including seeking to cure any breach we commit if permitted, and otherwise seek to preserve our rights under the intellectual property rights licensed to us, we may not be able to do so in a timely manner, at an acceptable cost or at all. Moreover, if our counterparty breaches the license agreement, we may not be able to enforce the agreement or obtain remedies that are sufficient or adequate.

RISK FACTORS

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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

We face an inherent risk of product liability as a result of the clinical testing and potential future commercialization of our product candidates. We may be subject to claims if any of our product candidates cause or are perceived to cause injury, adverse effects, or are otherwise found to be unsuitable during clinical trials, manufacturing, or in the event of future commercialization. Any such product liability claims may include allegations of defects in manufacturing or design, improper or insufficient labeling, or inadequate disclosure of side effects or risks inherent in our products.

If we are unable to successfully defend against such product liability claims, we may be required to pay substantial damages or to limit, delay, or suspend our clinical trials or potential commercialization activities. Even if we successfully defend against such claims, the process could require significant financial and management resources.

If we are unable to defend ourselves against such claims, we may also be subject to potential civil or regulatory liabilities under PRC law, including the revocation of relevant permits or licenses, product recall, or suspension of related clinical activities. Even if we are ultimately successful in defending against such claims, the time, costs, and resources required to do so could materially and adversely affect our business operations and delay the development of our pipeline candidates.

We, our Directors and management may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could be costly and time-consuming to defend.

We, our Directors and management may from time to time become party to litigation, legal disputes, claims or administrative proceedings arising in the ordinary course of our business. These may concern issues relating to, among others, product liability, environmental matters, breach of contract, employment or labour disputes and intellectual property rights. For example, we may be sued if our product candidates cause or are perceived to cause injury, significant adverse events, or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties.

Involvement in litigation, legal disputes, claims or administrative proceedings may distract our Directors’ or management’s attention, time and other resources. Furthermore, any litigation, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate due to the various factors involved, such as the facts and circumstances of the cases, the likelihood of winning or losing, the monetary amount at stake and the parties concerned, and such factors may result in these cases becoming of material importance to us. If we cannot react quickly and successfully defend ourselves against the claims, we may incur substantial liabilities or be required to limit commercialization of our product and product candidates.

In addition, negative publicity arising from litigation, legal disputes, claims or administrative proceedings may damage our reputation and adversely affect the image of our brands and products. In addition, if any verdict or award is rendered against us, we could be required to pay significant monetary damages, assume other liabilities, and suspend or terminate the related business ventures or projects. Consequently, our business, financial conditions and results of operations may be materially and adversely affected.

RISK FACTORS

Our Single Largest Group of Shareholders have had and will continue to have substantial influence over the outcome of shareholder actions in our Company. The interests of our Single Largest Group of Shareholders may not be aligned with the interests of our other shareholders.

Upon completion of the [REDACTED] (assuming that the [REDACTED] and any options granted under the 2026 [REDACTED] Share Option Scheme are not exercised), our Single Largest Group of Shareholders will hold approximately [REDACTED]% of our total issued and outstanding Shares. As a result, our Single Largest Group of Shareholders will have substantial influence over our business, including decisions relating to mergers, consolidations, liquidation, the sale of all or substantially all of our assets, election of directors and other significant corporate matters. They may take actions that are not aligned with the interests of our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other shareholders of the opportunity to receive a premium for their shares as part of a sale of our Company, and may reduce the [REDACTED] of our Shares. Such concentrated control could also limit the ability of our minority shareholders to influence corporate decisions and may discourage any potential merger, takeover or other change of control transaction that our other shareholders might otherwise consider beneficial.

Our future success depends on our ability to retain key executives and to attract, hire, retain and motivate other qualified and highly skilled personnel.

Our success depends significantly on our continued ability to attract, retain and motivate qualified management and scientific personnel. We are highly dependent on the continued service of our senior management, key scientific and clinical personnel, as well as other employees who possess expertise essential to our research and development operations.

Competition for experienced personnel in the biopharmaceutical industry is intense, and the pool of qualified candidates is limited. In recent years, the average staff cost in the biopharmaceutical sector, particularly for highly skilled research and development professionals, has continued to increase. We cannot assure you that we will be able to retain our key management or scientific staff, or that we will be able to attract qualified replacements in a timely manner should any of them depart. If we fail to effectively recruit, train, and retain these personnel, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be subject to natural disasters, health epidemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Natural disasters, epidemics, acts of war, terrorism or other force majeure events beyond our control may adversely affect the economy, infrastructure and general business environment in the regions where we operate. Our operations, and those of our third-party research collaborators, suppliers, CROs, CDMOs and other service providers, may be affected by events such as floods, earthquakes, sandstorms, snowstorms, fires, droughts, outbreaks of communicable diseases such as COVID-19, SARS, avian influenza or other epidemic or pandemic diseases, power shortages, network failures or potential geopolitical conflicts. The occurrence or resurgence of any public health event, including COVID-19 or other infectious diseases, could materially disrupt our clinical trials, delay our research and development activities, and adversely affect the operations of our business partners and service providers. There can be no assurance that similar epidemics or other large-scale public health emergencies will not occur again in the future or that such events will not have a material adverse effect on our operations and clinical development progress. Any of the foregoing events, or other events beyond our control, may materially and adversely affect the overall business sentiment, lead to instability in the markets in which we operate, delay our research and clinical activities, or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

RISK FACTORS

If we or our business partners fail to protect the data and privacy of subjects in our clinical trials, or the medical institutions that we cooperate with fail to do so, our reputation may be damaged and we may be subject to penalties or other regulatory actions.

We and our business partners collect and store clinical trial data. This requires us, our CROs and medical institutions to maintain strict internal control systems to safeguard such information. The global regulatory environment governing data collection, use and transfer is complex and evolving. Data protection laws and regulations differ among jurisdictions and are subject to frequent amendments.

Data destruction, tampering, corruption, loss, breach, unauthorized disclosure and misuse may still occur due to human error, employee misconduct or system failure. We also rely on third parties, including principal investigators, hospitals and CROs, to handle and store patient data. Any leakage, misuse or unauthorized access to such data by our third parties may be perceived by patients as our fault, even if not directly caused by us.

Any failure or perceived failure to comply with privacy or data protection obligations may lead to investigations, fines or lawsuits, as well as public concern and reputational harm. If data protection authorities in any jurisdiction initiate enforcement actions, we may be required to adjust our internal practices or systems. This may increase our compliance costs and divert management resources.

Complying with applicable privacy and data protection laws and regulations may impose substantial operational burdens. Non-compliance could result in penalties, civil or criminal liabilities and negative publicity. If the applicable rules change or are interpreted differently, we may be required to adjust our practices within a short time. Any failure to do so may cause regulatory actions, reputational harm and material adverse effects on our business, financial condition, results of operations and prospects.

We are subject to stringent PRC laws and regulations relating to data privacy and cybersecurity, and we may be subject to cybersecurity review or other regulatory actions.

On December 28, 2021, the Cyberspace Administration of China (“CAC”), together with 12 other governmental authorities, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “MCR”), which became effective on February 15, 2022. Under Article 2 of the MCR, a cybersecurity review shall be conducted if a critical information infrastructure operator purchases network products or services, or if a network platform operator conducts any data processing activity that affects or may affect national security. In accordance with Article 7 of the MCR, a network platform operator that possesses personal information of more than one million users is required to apply to the Cybersecurity Review Office for cybersecurity review when listing overseas. On September 24, 2024, the State Council issued the Regulation on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “Cyber Data Security Regulation”), which took effect on January 1, 2025. A network data processor whose activities “affect or may affect national security” will be subject to national security review under Article 13 of the Cyber Data Security Regulation.

As of the Latest Practicable Date, (i) we had not been informed or identified by the relevant governmental authorities as a critical information infrastructure operator; (ii) [REDACTED] in Hong Kong does not constitute a [REDACTED] abroad (國外上市) as mentioned in the MCR and the number of personal information processed by us had not exceeded 1 million; and (iii) we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security. However, the regulations do not clearly define the scope of “affect or may affect national security,” and its interpretation remains uncertain. If we were deemed to have engaged in network data processing activities that fall within such scope, we could be required to undergo cybersecurity review and may be subject to penalties, suspension of operations, or revocation of permits, which may materially and adversely affect our business operations.

RISK FACTORS

We may be restricted from transferring our scientific data or human genetic resources outside of China.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the “**Scientific Data Measures**”), which set out the regulatory framework for the management and use of scientific data in China. Under these measures, enterprises in China are required to obtain government approval before transferring scientific data involving any state secret abroad or to foreign entities. If scientific data generated with government budgetary funds is used for a paper to be published in a foreign academic journal and the data needs to be submitted overseas for the publication, the paper’s authors must hand over the data to their affiliated institutions for centralized management before the paper is published. It remains uncertain whether our research and development of product candidates would fall within the scope of the Scientific Data Measures. If the Scientific Data Measures or any subsequent regulations apply to us, we may need to obtain approvals before transferring scientific data abroad, including preclinical or clinical trial data generated in China. We cannot assure you that we will be able to obtain such approvals in a timely manner, or at all. Any delay or failure to secure the necessary approvals could hinder our research and development process and materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, the Administrative Regulations on Human Genetic Resources (《人類遺傳資源管理條例》) promulgated in May 2019 and revised in March 2024 and the Biosecurity Law of the PRC (《中華人民共和國生物安全法》) promulgated in October 2020 and revised in April 2024 impose additional approval requirements for the collection, storage, utilization and export of human genetic resources in China. If our operations are deemed to involve the collection, preservation, utilization, or foreign provision of human genetic resources, we may be subject to approval or filing requirements by the competent science and technology authorities. We cannot guarantee the timely receipt of such approvals or filings; consequently, any delay or failure could materially and adversely impact our clinical development and cross-border partnerships.

Our future investments or acquisitions may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may in the future evaluate and pursue investments, in-licensing arrangements, joint ventures and acquisitions to augment our R&D, manufacturing or commercialization capabilities in China and overseas. We may engage in discussions or negotiations for one or more such transactions from time to time. These transactions involve significant challenges and risks, including but not limited to: difficulties integrating into our operations the personnel, systems, quality and compliance programs, products and services of an acquired or invested company; disruption to our ongoing clinical development and pre-commercial activities, diversion of management attention and increases in operating expenses; loss of skilled professionals and of established relationships with collaborators, hospitals, CROs or other partners of the businesses we acquire or invest in; new regulatory requirements and compliance risks that arise from operating in new jurisdictions or industries; unforeseen or hidden liabilities or costs that adversely affect us after completion; regulatory reviews and approvals, including anti-monopoly/competition filings and other transactional clearances, that could delay, condition or prohibit a proposed transaction; use of substantial cash, incurrence of debt or potentially dilutive issuances of equity securities to finance transactions; significant goodwill impairment charges and amortization of acquired intangible assets; and failure to realize expected synergies, cost savings or growth opportunities within the anticipated timeframe, or at all.

Any of the foregoing could disrupt our existing business and could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

RISK FACTORS

If we, or our CROs, CDMOs or other contractors and business partners fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on our business and operations.

We are subject to numerous environmental, health and safety laws and regulations in the jurisdictions in which we operate, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Although we have not commenced manufacturing activities of commercial scale, our research and development activities may involve the use of small quantities of hazardous or flammable materials and may generate limited hazardous waste. In addition, we rely on third parties, including CROs, CDMOs and other business partners, to conduct certain research, manufacturing and testing activities on our behalf. These parties may also be subject to environmental, health and safety laws and regulations in their respective jurisdictions. We cannot eliminate the risk of contamination, injury or environmental incidents arising from the use, handling or disposal of hazardous materials by us or by our CROs, CDMOs or other partners. In the event of an accident, we could be held jointly liable for any resulting damages, and such liabilities could exceed our available resources. We may also incur significant costs or penalties to remedy or mitigate such events or to comply with any orders or corrective actions imposed by relevant authorities.

If we fail to comply with applicable anti-bribery, anti-kickback, false claims, fraud, or physician payment transparency laws and regulations in China or other jurisdictions, our reputation may be harmed, and we could be subject to penalties and significant expenses that may have a material adverse effect on our business, financial condition and results of operations. We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees or other third parties.

We are subject to anti-bribery laws in China that generally prohibit companies and their employees or intermediaries from offering, promising or providing anything of value to government officials for the purpose of obtaining or retaining business or securing other improper advantages. Furthermore, we are subject to healthcare, anti-kickback, fraud, and physician payment transparency laws and regulations, which generally prohibit the offer or payment of any remuneration to induce the referral of payment or the purchase of any healthcare items or services. There are uncertainties as to how these laws and regulations may apply to our current or future operations, particularly as we continue to collaborate with hospitals, physicians, CROs, CDMOs and other business partners in different jurisdictions. Efforts to ensure compliance with such laws may involve significant time, cost and resources. Regulatory authorities could determine that our business practices or those of our partners do not comply with current or future requirements. Any violation, investigation or enforcement action could result in civil or criminal fines, monetary penalties, reputational harm, exclusion from government-funded healthcare programs, and diminished profits, any of which could materially and adversely affect our business, financial condition, results of operations and prospects. In addition, failure to comply with anti-bribery laws could disrupt our business and result in severe civil and criminal penalties, including fines, imprisonment of individuals, loss of business qualifications, and exclusion from government-related programs.

Our business significantly depends on our reputation, and any negative publicity on us or our failure to maintain and enhance our recognition and reputation may materially and adversely affect our business, financial condition, results of operations and prospects.

We believe that the awareness and reputation of our brand and our research capabilities are essential to our success. Our reputation is closely linked to the perceived quality and integrity of our scientific research, the progress and outcomes of our clinical trials, and the professional conduct of our management and employees. Negative publicity concerning any of these aspects could harm our reputation and adversely affect our ability to attract collaboration opportunities, key personnel, investors and business partners.

RISK FACTORS

As we continue to advance our product candidates and expand our operations, we may increasingly rely on third parties, such as contract research organizations, academic collaborators, consultants and other external partners. Because we have limited control over these third parties, any actual or perceived misconduct, data inaccuracy, regulatory noncompliance or unethical behaviour by them could negatively affect our reputation, even if we are not directly responsible for their actions.

Our reputation may also be affected by adverse developments in the biotechnology and biopharmaceutical industries in general, including negative media coverage or regulatory inquiries concerning other market participants. Furthermore, if negative publicity or market speculation arises in connection with our product candidates, clinical trial results or regulatory interactions, our reputation and credibility may be materially damaged. Any such event could reduce confidence among patients, healthcare professionals, investors and regulators, delay our development plans, and materially and adversely affect our business, financial condition, results of operations and prospects.

Our information technology systems, or those of our CROs, CDMOs or other contractors and business partners, may fail or suffer security breaches, data losses or other unauthorized or improper access, which could significantly disrupt our ordinary business activities, compromise sensitive information related to our business or subject us to costly and protracted litigation, which may cause significant reputational harm and impact our ability to operate our business effectively.

Our information technology systems and those of our CROs, CDMOs and other external service providers remain vulnerable to security threats and system failures. These threats may include computer viruses, unauthorized access, cyberattacks, hacking, data corruption, power failures, telecommunication interruptions or other unexpected events. Any such incident could lead to a loss of or damage to our critical data or systems and could cause material disruption to our research and development activities.

Our research and development operations rely heavily on the storage and transmission of a large volume of confidential scientific data, clinical trial data and other proprietary information. If our systems or those of our contractors were to be compromised, our clinical data might be lost, corrupted or disclosed without authorization. In particular, if any clinical data relating to our product candidates were lost or destroyed, this could result in delays in regulatory filings or approvals, require us to repeat pre-clinical or clinical studies, and significantly increase our costs.

In addition, any extended downtime, loss of access to key systems or failure to properly back up data could adversely affect our ability to recover or reproduce important research information. To the extent that any disruption or security breach results in data loss, unauthorized disclosure of proprietary or personal information, or other operational interruptions, we could be subject to liability and the development progress of our product candidates could be delayed. There can be no assurance that we will be able to effectively handle any failure of our information systems, or that we will be able to restore our operational capacity in a timely and effective manner to avoid disrupting our business. The occurrence of any of these events could adversely affect our ability to effectively manage our business operations. In addition, if the capacity of our information systems fails to meet the increasing needs of our expanding operations, our ability to expand may be constrained.

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

We do not currently maintain insurance coverage for certain specific risks such as environmental liability or potential product-related losses. Given the nature of our business, including research and development activities and the conduct of clinical trials, our operations may be exposed to various risks that are not fully covered by existing insurance policies. If any event

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occurs that gives rise to a claim not fully covered by our insurance, we may have to bear the associated losses, which could result in significant financial costs and diversion of management attention. Our insurance coverage may still be insufficient to cover all potential liabilities that may arise in connection with our operations. Any such uninsured or underinsured losses could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks associated with our leased properties.

We have leased certain properties in China as our offices, laboratories and manufacturing facilities in various cities across China. Any limitations on the leased properties, or lessors’ title to such properties, may impact our use of the offices, laboratories and manufacturing facilities, or in extreme cases, result in relocation, which may in turn adversely affect our business operations.

Pursuant to applicable PRC laws and regulations, all lease agreements are required to be registered with the local land and real estate administration bureau. As of the Latest Practicable Date, six lease agreements for business operations were not registered and filed with the relevant land and real estate administration bureaus in the PRC. Although failure to do so does not in itself invalidate the leases, we may be subject to fines if we fail to rectify within the prescribed time period after receiving notices from the relevant PRC government authorities. The failure to register a lease agreement may subject the lessee to a penalty, which typically ranges from RMB1,000 to RMB10,000 for each unregistered lease. The occurrence of the foregoing could have an adverse effect on our results of operations and financial conditions. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

Environmental, social and governance matters may impact our business and reputation.

As global initiatives focus on low-carbon transitions and multiple jurisdictions in which we operate or intend to operate move toward carbon neutrality, governmental authorities may introduce new regulations and policies enforcing stricter environmental standards. Such tightened regulations may increase our costs related to environmental protection, thereby potentially affecting our operational results and financial conditions negatively. We cannot guarantee the effective implementation of ESG governance protocols, including the identification and mitigation of ESG-related risks. Our failure to comply with ESG requirements in a timely manner could materially and adversely affect our business operations and financial conditions.

Difficult conditions and turbulence in the global economic, political and financial environment may adversely affect our business, financial condition, results of operations and prospects.

Uncertain global economic, political and financial conditions, including fluctuations in interest rates, exchange rates, inflation, liquidity of capital markets and investor sentiment, may materially affect our operations and financing capabilities. Global market volatility, driven by recent geopolitical tensions, changes in monetary policies of major economies, and heightened inflationary pressure, has increased the uncertainty of capital availability and funding costs for companies operating in emerging markets such as China. As a pre-commercial biotechnology company that relies heavily on external funding for our research and development activities, our business and prospects are particularly sensitive to the global financing environment. A tightening of global liquidity or a sustained high interest rate environment may limit investors’ willingness to finance early-stage biotechnology companies, making it more difficult or costly for us to raise additional capital through equity or debt financing. Any downturn or volatility in the capital markets could therefore delay our financing plans, disrupt our research and development programs, and adversely affect our financial position. Moreover, prolonged market instability, investor risk aversion or a global economic recession could also negatively impact our collaboration partners, suppliers, contract research organizations and other counterparties, which may lead to delays in our ongoing projects and increase our operational costs. Any of these developments could have a material adverse effect on our business, financial condition, results of operations and prospects.

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RISK RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in economic, social conditions, policies and geopolitical relationships may materially affect our business, financial condition, results of operations and prospects.

Substantially all of our operations and assets are located in China, and our business performance depends significantly on the overall economic, social and policy environment in China. The PRC government has implemented and may continue to implement various policies and regulatory measures to adjust and guide the domestic economy, healthcare system and biopharmaceutical industry. While such measures may benefit the general market environment, they may also adversely affect our operations, funding environment or growth prospects.

In addition, the ongoing uncertainties in global macroeconomic conditions and geopolitical relations may indirectly impact the PRC biopharmaceutical industry, particularly with respect to the import of research materials, technology exchange and capital market sentiment. Further deterioration in geopolitical relations may affect the overall investment sentiment, capital flow, and supply of research materials or equipment in China biopharmaceutical industry, which could indirectly impact our business operations and prospects. Any adverse developments in these aspects could negatively affect our business operations, financial condition and prospects.

There may be new laws or regulations promulgated or interpretations of the laws and regulations in the future that may affect our business, financial condition, results of operations and prospects.

We are subject to extensive laws, rules and regulations in China where we operate. Given the continuous development of the PRC regulatory environment and the dynamic nature of the healthcare and biopharmaceutical industries, new laws or regulations may be promulgated, or existing ones may be amended or reinterpreted from time to time. We are required to stay abreast of, and comply with, these evolving legal and regulatory requirements in a timely manner. Failure to do so may result in non-compliance, which could adversely affect our business operations and prospects.

In particular, the regulatory regime governing the biopharmaceutical industry in China has undergone significant changes in recent years and continues to evolve. Relevant authorities, including the NMPA, may from time to time introduce new rules or amend existing policies governing product research, clinical trials, registration, production and commercialization. Such regulatory changes or their implementation may lead to increased compliance costs, additional approval requirements, or extended review timelines, any of which could delay our R&D progress, increase our operating costs, or adversely affect our business, financial condition and results of operations.

We may be exposed to risks of conducting our business and operations in international markets, including risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.

We are susceptible to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions. Tensions and political concerns between China and other countries or regions may adversely affect our business, financial conditions, results of operations, cash flows and prospects. China’s political relationships with foreign countries and regions may affect the prospects of our relationship with third parties, such as business partners, suppliers and future customers. Changes to trade policies, treaties and tariffs, or the perception that these changes could occur, could adversely affect the financial and economic conditions in the jurisdictions in which we operate. There can be no assurance that our existing or potential service providers or other business partners will not alter their perception of us or their

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preferences as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may cause a decline in the demand for our future products and adversely affect our business, financial conditions, results of operations, cash flows and prospects. Rising trade and political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between China and other countries and regions, which would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies. For example, in 2024 legislation that would prohibit U.S. government agencies from procuring biotechnology products or services from designated “biotechnology companies of concern” (“BCOCs”) including certain PRC companies (the “Biosecure Act”) was introduced in the U.S. Congress. Although the Biosecure Act has not been enacted and we were not designated in it as a BCOC, we cannot assure you that future legislative or regulatory measures taken in the United States or elsewhere would not have a material adverse effect on our business or strategy.

In addition, over the years, the U.S. government has imposed rounds of tariffs on imports from China. Meanwhile, China has implemented measures in response to the heightened tariffs against Chinese products initiated by the U.S. government. It is unknown whether and to what extent new tariffs, export controls, or other new laws or regulations will be adopted, or the effect that any such actions would have on us or our industry. In addition, China’s political relationships with foreign countries and regions may affect the prospects of conducting clinical trials in such countries and regions. There can be no assurance that our clinical trials will be able to carry out smoothly as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may adversely affect our business, financial conditions, results of operations, cash flows and prospects. It also remains unclear what actions, if any, the U.S. government will take with respect to other existing international trade agreements. If the U.S. were to withdraw from or materially modify certain international trade agreements to which it is a party, especially with respect to intellectual property transfer, our business, financial conditions and results of operations could be negatively impacted.

Procedures on the remittance of Renminbi into and out of the PRC may affect our ability to pay dividends and other obligations.

We are a company incorporated under the laws of the PRC, and our business operations are primarily conducted within the PRC. Substantially all of our future revenues are expected to be denominated in Renminbi. We may need to convert Renminbi into foreign currencies to pay dividends, if any, to our shareholders after our [REDACTED], or to satisfy other foreign currency-denominated obligations.

Under the current PRC foreign exchange regulations, current account transactions, such as dividend payments, generally do not require prior approval from the State Administration of Foreign Exchange (“SAFE”), but we are required to present supporting documentation and conduct such transactions through designated foreign exchange banks within the PRC. Capital account transactions, such as repayment of foreign loans or remittance of funds from overseas investors, are subject to prior approval or registration with the relevant authorities. Any change, delay or restriction in the applicable foreign exchange policies could limit our ability to transfer funds out of the PRC, which may in turn adversely affect our financial position and ability to pay dividends or meet other funding needs.

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

Under PRC laws, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends and gain realized on the transfer of shares from PRC sources payable to investors that are non-resident enterprises, which

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do not have an establishment or a place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty or other tax arrangements. As of the Latest Practicable Date, no provision has expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. Shareholders may not qualify for benefits under such tax treaties or arrangements. We give no assurance that any tax obligations in respect of any gains from the future sale of H Shares or dividends declared and paid will remain unchanged.

There may be uncertainties in effecting service of legal process and enforcing foreign judgments against us and our management in China.

We are a company incorporated under the laws of the PRC, and substantially all of our assets and senior management are located in China. Similar to the difficulties faced by most of the countries around the world on effecting service of process and enforcing judgments obtained from foreign countries, it may be difficult for investors outside the PRC to effect service of process upon us or our Directors or senior management within or outside the PRC, or to enforce judgments obtained in jurisdictions outside the PRC against us or them.

Although the Supreme People’s Court of the PRC and the government of the Hong Kong Special Administrative Region have entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), it does not apply to certain judgments of civil and commercial matters. Consequently, investors may face difficulties in seeking to enforce judgments against us or our management in China.

We are subject to risks in relation to our social insurance and housing provident fund contributions.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), we are required to make contributions to the social insurance plans and housing provident funds for our employees in accordance with relevant PRC laws and regulations.

During the Track Record Period and as of the Latest Practicable Date, we did not make full contributions to the social insurance and housing funds for employees in accordance with the relevant PRC laws and regulations. In 2024 and 2025 and for the six months ended June 30, 2026, the aggregate shortfall in our contributions to social insurance and housing provident funds amounted to approximately RMB0.5 million, RMB1.0 million and RMB1.0 million, respectively. We cannot assure that we will not be required to pay any deemed shortfalls or be subject to penalties or fines regarding social security insurance and housing provident funds contributions, any of which may have an adverse effect on our business and results of operations. As advised by our PRC Legal Adviser, the Company’s risk of being subject to centralized back payment, supplementary payment and material penalties due to the non-compliance in the payment of social insurance and housing fund is low, provided that the current policies, laws and regulations, as well as the current implementation and supervision requirements of the competent authorities in respect of social insurance and housing fund, remain materially unchanged, and no employee files any complaint, litigation or arbitration.

Our compliance challenges may be compounded by the evolving PRC labor laws and regulations. Effective September 1, 2025, the Interpretation (II) of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (“Interpretation (II)”) provides that any

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agreement between an employer and an employee to waive the payment of social insurance contributions is invalid, and that an employee may terminate their labor contract and claim economic compensation if the employer fails to make statutory social insurance contributions. Our Group confirms that we have not entered into any agreements with, nor received any commitments from, our employees regarding the waiver of social insurance contributions. As advised by our PRC Legal Adviser, Interpretation (II) does not impose any additional liabilities on our Group beyond those prescribed under existing PRC laws and administrative regulations. Furthermore, our Company has undertaken to fully and promptly settle any outstanding social insurance and housing provident fund contributions if ordered by the relevant competent authorities. Based on the foregoing and the advice of our PRC Legal Adviser, our Directors and our PRC Legal Adviser are of the view that the implementation of Interpretation (II) will not have a material adverse impact on our Group’s business operations and financial performance.

Changes in foreign investment policies could negatively impact our business

Currently, development and application of human stem cell, gene diagnosis and treatment technologies is restricted for foreign investments in China. The Ministry of Commerce, the National Health Commission (the “NHC”) and the NMPA currently allow foreign-invested enterprises to engage in the development and application of human stem cell, gene diagnosis and treatment technologies in certain pilot regions, including the China (Shanghai) Pilot Free Trade Zone and the China (Guangdong) Pilot Free Trade Zone, for product registration and production, and such products may be sold nationwide upon approval for commercialization. Our principal business is the research and development of CAR-T cell therapy drugs and our Company’s registered address is within the China (Guangdong) Pilot Free Trade Zone. Based on the foregoing and the advice of our PRC Legal Adviser, the current business operations of the Group are in compliance with the applicable requirements under Notice on Conducting Pilot Programmes for Expanding Opening-up in the Medical Sector (《關於在醫療領域開展擴大開放試點工作的通知》) in all material respects. However, if the applicable laws, regulations or regulatory interpretations are amended, or if the scope, availability or implementation of the current pilot programmes is modified, restricted or terminated, our eligibility to rely on the relevant pilot policies could be adversely affected. In such circumstances, we may be required to take additional measures to maintain compliance with applicable foreign investment restrictions or other regulatory requirements, which could adversely impact our business and prospects.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the completion of the [REDACTED], there was no [REDACTED] for our H Shares. We cannot assure you that a [REDACTED] for our H Shares with adequate [REDACTED] will develop and be sustained following the completion of [REDACTED]. The [REDACTED] for our H Shares to the [REDACTED] is the result of negotiations between us and the [REDACTED] (for itself and on behalf of other [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] of the H Shares following the [REDACTED].

We have [applied] to the Hong Kong Stock Exchange for the [REDACTED] of, and permission to [REDACTED] in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]). A [REDACTED] on the Hong Kong Stock Exchange, however, does not guarantee that an active and [REDACTED] for the H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the H Shares will not decline following the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and [REDACTED] of our H Shares could be materially and adversely affected.

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The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to investors.

The [REDACTED] and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the [REDACTED] of the shares of other companies engaging in similar business may affect the [REDACTED] and [REDACTED] of our H Shares. In addition to market and industry factors, the [REDACTED] and [REDACTED] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in [REDACTED] not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

Future sales or perceived sales or conversion of significant amounts of our H Shares in the [REDACTED] following the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares.

The [REDACTED] of our H Shares could decline as a result of future [REDACTED] of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such [REDACTED] or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favourable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

In addition, while investors subscribing shares in the [REDACTED] are not subject to any restrictions on the disposal of the [REDACTED] they subscribed (except otherwise disclosed in this Document), they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [REDACTED] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [REDACTED].

Any sale of the [REDACTED] subscribed by such investors pursuant to such arrangement or agreement could adversely affect the [REDACTED] of our H Shares and any sizeable sale could have a material and adverse effect on the [REDACTED] of our H Shares and could cause substantial volatility in the [REDACTED] of our H Shares.

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

The [REDACTED] of the H Shares is higher than the [REDACTED] per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the H Shares in the [REDACTED] will experience an immediate dilution. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution if we issue additional Shares in the future at a [REDACTED] which is lower than the [REDACTED] per Share at that time. Furthermore, we may issue Shares through the employee incentive platforms, which would further dilute Shareholders' interests in our Company.

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Fluctuations in exchange rates could materially reduce the value of your investment.

Our H Shares will be [REDACTED] for subscription and [REDACTED] in Hong Kong dollars. As of the Latest Practicable Date, all our assets were denominated in Renminbi. Therefore, any fluctuation in the exchange rate between Renminbi and Hong Kong dollars could significantly impact the [REDACTED] of our H Shares and thus materially affect the value of your [REDACTED].

Fluctuations in exchange rates between the Renminbi and other currencies (including Hong Kong dollars) may be affected by, among other things, national and international economic and political developments. If Renminbi depreciates against other currencies (such as Hong Kong dollars), the [REDACTED] of our H Shares may [REDACTED] even if our business operation and financial conditions remain unaffected.

Because we do not expect to pay dividends in the foreseeable future after the completion of the [REDACTED], you must rely on [REDACTED] of our H Shares for a return on your [REDACTED].

We are an early-stage biopharmaceutical company with no commercialized products and have incurred net losses since our inception. We expect to continue to incur losses for the foreseeable future as we advance the development and commercialization of our pipeline product candidates. We currently intend to retain most, if not all, of our available funds and any future earnings after the completion of the [REDACTED] to fund the development and commercialization of our pipeline product candidates and to support our ongoing R&D and operational activities. As a result, we do not expect to declare or pay any cash dividends in the foreseeable future. Therefore, you should not rely on an [REDACTED] in our H Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to declare and pay dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend upon various factors including our future results of operations, financial condition, cash flow, capital requirements, and the amount of distributions received from our subsidiaries. Dividends under PRC law and our Articles may only be paid out of distributable profits, which refer to after-tax profits as determined under PRC GAAP or IFRS, whichever is lower, after making the necessary allocations to statutory reserve funds. Accordingly, the return on your [REDACTED] in our H Shares will likely depend entirely upon any future [REDACTED] of our H Shares. There is no assurance that our H Shares will appreciate in value after the [REDACTED] or even maintain the [REDACTED] at which you purchased the H Shares. You may not realize a return on your [REDACTED] in our H Shares and you may even lose your entire [REDACTED] in our H Shares.

Certain facts, forecasts and statistics in this Document relating to the biopharmaceutical industry are derived from various official government sources and have not been independently verified by us.

Certain statistics, information and data contained in this Document relating to China and elsewhere in the world, and the industry in which we operate have been derived from various official government publications. Information and statistics from official government sources have not been independently verified by us or any other parties involved in the [REDACTED] and no representation is given as to their accuracy. Due to possibly flawed or ineffective collection methods and analysis or discrepancies between published information and market practice, such statistics, information and data in this Document may be inaccurate or may not be comparable to statistics, information and data produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts.

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

Prior to the publication of this Document, there has been coverage in the media regarding us and the [REDACTED], which contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this Document. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this Document only and should not rely on any other information.