

RISK FACTORS

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

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-looking Statements” in this document.

In particular, we are a biopharmaceutical company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rules 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with [REDACTED] in companies such as ours. Your [REDACTED] decision should be made in light of these considerations.

RISKS RELATING TO THE DEVELOPMENT OF OUR DRUG CANDIDATES

Our business and prospects depend substantially on the success of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approval or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing so, our business and prospects could be materially and adversely affected.

Our revenue and profitability are substantially dependent on our ability to complete the development of our drug candidates, obtain requisite regulatory approvals and successfully commercialize our drug candidates. We have invested a significant portion of our efforts and capital resources in the development of our existing drug candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our drug candidates in the future. In particular, our business and prospects are highly dependent on the successful clinical development, regulatory approval and commercialization of TSN1611, our Core Product. TSN1611 is the primary focus of our research and development activities. In 2024, 2025, and the six months ended June 30, 2025 and 2026, research and development expenses incurred for TSN1611 amounted to RMB36.5 million, RMB76.2 million, RMB26.4 million and RMB66.8 million, respectively, which accounted for 50.2%, 66.1%, 61.1% and 69.7% of our total research and development expenses for the corresponding periods. Our core scientific and clinical personnel also devote significant time and attention to the development of TSN1611, which may limit the resources and management attention available for the advancement of our other drug candidates. In addition, we intend to allocate approximately [REDACTED]% of the [REDACTED] from the [REDACTED] to the research and development of TSN1611. TSN1611 has not been approved for any indication, and there can be no assurance that the encouraging early or interim clinical results observed to date will be replicated in later-stage or pivotal clinical trials, or that TSN1611 will ultimately receive regulatory approval or achieve commercial success. Our business, results of operations, financial condition and prospects would be materially and adversely affected if TSN1611 fails or is delayed in clinical development, does not obtain the requisite regulatory approvals, or fails to achieve commercial success even if approved.

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The success of our drug candidates depends on a number of factors, including favorable safety and efficacy data from our preclinical studies and clinical trials, sufficient resources to discover or acquire additional drug candidates, successful patient enrollment and trial completion, protocol adherence, sufficient supplies of drug products used in combination with or in comparison to our drug candidates, timely protocol modifications and regulatory submissions, and the performance and compliance of CROs, CDMOs, collaborators and other third parties without compromising the integrity of the resulting data. It also depends on receipt of regulatory approvals for planned clinical trials, drug registrations, manufacturing and commercialization, future commercial manufacturing capabilities, successful launch of commercial sales, favorable reimbursement from third-party payers, competition with other drug products, the obtaining, maintenance and enforcement of intellectual property and regulatory exclusivity, successful defense against third-party intellectual property claims, and the continued acceptable safety profile of our drug candidates following regulatory approval.

Some of our drug candidates represent novel therapeutic approaches compared with more commonly used modalities. Certain of our drug candidates, including TSN1611, target mutation-driven cancers and involve complex biology, and our ability to translate preclinical and early clinical observations into consistent clinical benefits across different tumor types and patient populations is uncertain. In addition, substantial education and training may need to be provided to patients and medical personnel in connection with our drug candidates, which could increase our future sales and marketing expenses and adversely affect future profits, competitive position, business, financial condition and results of operations.

As of the Latest Practicable Date, all of our drug candidates were in various phases of preclinical and clinical development. If we fail to achieve drug development milestones as disclosed in this document, our business prospects could be adversely affected. Our costs may also increase if we experience delays in the development of drug candidates or in obtaining regulatory approvals, which could require us to postpone or suspend ongoing trials until sufficient funding is secured, or, in certain circumstances, to discontinue development of a drug candidate altogether. For the years ended December 31, 2024, 2025, and for the six months ended June 30, 2025 and 2026 we incurred significant research and development expenses of RMB72.8 million, RMB115.2 million, RMB43.2 million and RMB95.8 million, respectively. Our net losses amounted to RMB70.5 million, RMB183.7 million, RMB77.6 million and RMB116.6 million during the same respective periods. Material delays of the clinical development of our Core Product, TSN1611, may cause further increase in research and development and net losses. Significant delays in preclinical studies or clinical trials could also allow our competitors to bring competing products to market ahead of us, thereby impairing our ability to successfully commercialize our drug candidates. Any of the above negative developments could have a material and adverse effect on our business, financial condition and results of operations.

We face intense competition and rapid technological change, and our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

The pharmaceutical industry is intensely competitive and subject to rapid and significant technological changes. We face competition with respect to our current drug candidates and any drug candidates that we may seek to develop or commercialize in the future. For example, our Core Product, TSN1611, will likely compete with other therapeutic classes for the same patient populations. TSN1611 is a highly selective, orally bioavailable KRAS G12D inhibitor. As of the Latest Practicable Date, although there was no approved KRAS G12D inhibitor drug, there were 24 clinical-stage KRAS G12D inhibitor candidates globally. These competing candidates may obtain regulatory approval earlier than ours, adversely affecting our competitive position. In particular, there are a number of pan-RAS inhibitors under various stages of clinical development, including daraxonrasib, a phase 3 stage pan-RAS drug asset. The emergence and advancement of these competing therapies could adversely affect the future clinical development and market access of

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TSN1611. For example, the market opportunities of TSN1611 may be adversely affected if daraxonrasib, or other pan-RAS and KRAS inhibitors, is approved ahead of TSN1611. Specifically, the clinical development of broad-spectrum pan-RAS inhibitors targeting the same indications may intensify competition for clinical trial participants, potentially leading to enrollment delays, increased development costs, and delayed regulatory approvals. Furthermore, if a competing pan-RAS inhibitor is approved and alters the standard of care, the regulatory benchmarks required for TSN1611’s approval could become significantly more challenging. Commercially, TSN1611’s success relies heavily on the routine clinical use of comprehensive biomarker testing to identify the specific KRAS G12D mutation. If pan-RAS inhibitors gain market acceptance as a generalized treatment, it could reduce the clinical incentive to perform precise, mutation-specific testing, thereby shrinking our identifiable target patient pool. Ultimately, if physicians, patients, or third-party payors prefer competing therapies due to their broader applicability or less stringent testing requirements, our ability to successfully commercialize TSN1611 would be severely limited, which could have a material adverse effect on our business, financial condition, and results of operations.

Our competitors include large multinational pharmaceutical companies, established and specialty biopharmaceutical companies, as well as academic institutions and other public and private research organizations. Many of these competitors have substantially greater financial, technical and commercial resources than we do, including more advanced infrastructure, more late-stage drug candidates, and more established research, manufacturing and marketing capabilities. Industry collaborations, mergers and acquisitions may further concentrate these resources. As a result, our competitors may succeed in developing competing drugs, obtaining regulatory approvals, achieving earlier commercialization or gaining greater market acceptance before us.

In addition, upon expiry of our intellectual property protections, competitors may develop generic versions of our drug candidates and enter the market with lower-cost alternatives, which could intensify price competition, erode our market share and adversely affect our margins. Our drug candidates may also face competition in terms of safety, efficacy, timing and scope of regulatory approvals, supply, pricing, sales and marketing capabilities, and patent protection. Further, disruptive technologies and medical breakthroughs may intensify competition and render our drug candidates less competitive or obsolete. If we are unable to compete effectively, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Clinical development involves an expensive process with uncertain outcomes, and results of preclinical studies and early clinical trials may not be predictive of future trial results.

Clinical development is capital-intensive and may demand years of effort to complete, while its outcomes are inherently uncertain and may not be favorable. For details of our pipeline and clinical development of our drug candidates, see “Business — Overview — Our Drug Portfolio.” Later-stage clinical trials for TSN1611 and certain other drug candidates may fail to confirm early-phase results due to differences in trial design, endpoints, patient characteristics, tumor heterogeneity, prior therapy, or other factors. We may encounter unexpected difficulties while executing our drug development plans for such drug candidates, and our current and future drug candidates are susceptible to the risks of failure inherent at any stage of drug development, which would materially and adversely affect our business, financial condition and results of operations.

For example, regulators, ethics committees or other review bodies may not authorize us or our investigators to commence or conduct clinical trials at prospective trial sites. We may have to suspend or terminate clinical trials due to negative results or unacceptable health and safety risks. We may also be unable to reach acceptable terms with CROs, hospitals or CDMOs, encounter manufacturing or quality control issues, fail to secure sufficient quantities of drug candidates for

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use in clinical trials, experience slower-than-expected subject enrollment or higher dropout rates, face patent disputes or failures to secure intellectual property protection, or identify unexpected or unacceptable adverse events or other undesirable characteristics in our drug candidates.

In addition, the results of preclinical studies and early clinical trials may not predict the results of later-stage clinical trials, and favorable initial or interim results do not necessarily indicate favorable final results. Drug candidates in later-stage trials may fail to demonstrate the desired safety and efficacy. Many pharmaceutical companies have experienced significant setbacks in advanced clinical trials despite promising earlier-stage results. Safety and efficacy outcomes may also vary across trials of the same drug candidate due to differences in patient populations, patient conditions and adherence, concomitant medications, pre-existing medical conditions, and the number and location of trial sites.

Accordingly, currently available preclinical and clinical data may not be indicative of favorable future results, which could delay completion of our clinical trials, regulatory approvals and commercialization of our drug candidates. See “— Risks Relating to Government Regulations — The regulatory approval processes of the NMPA, the FDA and other comparable authorities are lengthy, time-consuming and inherently unpredictable. If we are ultimately unable to obtain, or experience material delays in obtaining, regulatory approval for our drug candidates in our targeted markets, our business may be subject to actual or perceived harm.”

We may not be able to identify, discover and develop new drug candidates, or to identify additional therapeutic opportunities.

In addition to the continued clinical testing, potential approvals and commercialization of our existing drug candidates, the success of our business depends in part upon our ability to identify, discover, in-license or develop additional drug candidates. There can be no assurance that we will be successful in identifying potential drug candidates as expected and developing new drug candidates in the future. Some drug candidates may be technically challenging to develop and manufacture. Drug candidates that we identify may later show side effects or other characteristics that make them unmarketable or unlikely to receive regulatory approvals. We have also pursued, and may continue to pursue, collaborations with third parties in the discovery and development of potential drug candidates, including through licensing and acquisition arrangements. However, there can be no assurance that such licenses or collaborations will deliver the expected results. In addition, there can be no assurance that our research and development capabilities, including small molecule and ADC-related capabilities, will result in the identification and development of additional drug candidates with acceptable safety, efficacy, developability or commercial potential.

Research programs to identify and develop new drug candidates and to develop our drug candidates for additional indications require substantial technical, financial, and human resources. We may invest efforts and resources in potential drug candidates or indication expansions that ultimately prove to be unsuccessful. Any of the foregoing events will have a material and adverse effect on our business, financial condition, results of operations and prospects.

Any failure of utilization of our technology platforms to generate safe, effective and manufacturable drug candidates could materially and adversely affect our business and future prospects.

We leverage the continued advancement and successful translation of our technology platforms to identify, optimize and advance our pipeline. In particular, we leverage our technology platforms, including the T³LP Platform, the DATIA Platform and the Dual Payload Platform, to generate differentiated ADC candidates through proprietary payload, linker and conjugation technologies. There can be no assurance that these platforms will repeatedly generate drug candidates with acceptable safety, efficacy, developability or commercial potential on a timely and cost-efficient basis, or that platform-enabled candidates will progress through preclinical and clinical development without significant delays, additional costs or failure.

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Each of our technology platforms involves platform-specific technical and translational uncertainties. Drug candidates generated under the T³LP Platform may face risks that targeted-therapy payloads and related linker designs may not achieve sufficient tumor delivery, intracellular release or durable pathway suppression, or may result in off-tumor toxicity due to target expression in normal tissues during clinical explorations or development. Candidates generated under the DATIA Platform may be subject to the risks inherent in immune-agonist or immune-stimulating modalities, including systemic inflammatory toxicities, cytokine-mediated adverse reactions and controllability challenges, and we may not be able to control payload release kinetics and tissue distribution as intended to maintain efficacy while avoiding systemic exposure. Candidates generated under the Dual Payload Platform may introduce additional complexity and exacerbate physicochemical and manufacturing liabilities, compounded or unanticipated toxicities, and unpredictable pharmacokinetics, and regulatory authorities may impose additional characterization, nonclinical requirements or clinical monitoring, which could increase development costs and timelines.

In addition, the effectiveness of our technology platforms depends on our continued access to high-quality data, robust computational infrastructure and specialized scientific talent. Any limitations in data acquisition, delays in model generation or validation, system failures, or the loss of key personnel could adversely affect platform performance and our research and development efficiency. If our technology platforms do not continue to generate competitive, differentiated or clinically viable drug candidates in a timely and cost-efficient manner, or if competing discovery and development technologies evolve more rapidly than ours, our ability to expand our pipeline, pursue collaborations and achieve long-term growth could be materially and adversely affected.

We may not achieve successful outcomes from our substantial investments in research and development and may fail to capitalize on more promising opportunities due to resource allocation decisions.

The global biopharmaceutical market is constantly evolving, requiring us to continuously invest significant human and financial resources to develop, adapt, and maintain our core technology platforms and product pipeline. For example, we incurred research and development expenses of RMB72.8 million, RMB115.2 million, RMB43.2 million and, RMB95.8 million, for the years ended December 31, 2024, 2025, and for the six months ended June 30, 2025 and 2026, respectively. There is no guarantee that we can successfully develop or commercialize new technologies or drug candidates in a timely or cost-effective manner, or obtain adequate intellectual property protection with such investments. Any failure to do so could render our prior efforts obsolete and negatively affect our competitiveness.

In addition, as we have limited financial and managerial resources, we focus our product pipeline on research programs and drug candidates that we identify for selected indications. We may prioritize TSN1611 and certain key programs, and if such prioritized programs do not achieve the anticipated clinical or regulatory outcomes, our overall business and prospects may be materially and adversely affected. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities, and we may be required to recognize impairment losses on related intangible assets or face other negative consequences, which could adversely affect our financial condition and results of operations. If our current pipeline priorities do not yield the anticipated outcomes, we may need to adjust our resource allocation strategy and clinical development plans. Furthermore, if we do not accurately evaluate the commercial potential or target market of a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration or licensing arrangements in cases where it would have been more advantageous for us to retain sole development and commercialization rights

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to such drug candidate. Conversely, we may allocate internal resources to a drug candidate in a therapeutic area in which it would have been more advantageous to enter into a collaboration or licensing arrangement. Any of these circumstances could materially and adversely affect our future growth and prospects.

We may not be able to obtain approval from regulatory authorities across different jurisdictions.

We currently conduct clinical trials in China and the U.S., and we may seek to develop our business in other countries or regions. However, we may not be able to obtain approval in one or more jurisdictions even if we obtain approval in other jurisdictions. The regulatory frameworks and clinical trial requirements differ significantly across different jurisdictions. For example, the NMPA, the FDA, or other comparable regulatory authorities may have different expectations regarding trial design, patient population, comparator arms, endpoints or statistical methodologies. In certain cases, data generated in one jurisdiction may not be fully accepted by regulators in another jurisdiction without bridging studies or additional local data. These differences may lead to longer development timelines, duplicated efforts, or increased development costs. Failure to obtain approval in our target jurisdictions may materially and adversely affect our ability to commercialize our product candidates globally, and may also have a negative effect on our business, financial condition and results of operations.

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

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible subjects to participate in these trials, or if there are delays in the enrollment of eligible subjects as a result of the competitive clinical enrollment environment. For instance, our clinical trials for TSN1611 require patients with specific genetic mutations such as KRAS G12D. According to Frost & Sullivan, KRAS G12D mutations are present only in a subset of patients across multiple tumor types, accounting for approximately 4% of NSCLC, 12% of CRC and 38% of PDAC patients, indicating a relatively limited patient pool. The size of these patient populations may be more limited than anticipated, and eligible patients may be difficult to identify, diagnose, screen or recruit in a timely manner. Our inability to enroll a sufficient number of subjects who meet the applicable criteria set out in the protocol could result in significant delays in our clinical trials. In addition, some of our competitors may have ongoing clinical trials for drug candidates targeting the same indications, and subjects who would otherwise be eligible for our clinical trials may instead enroll in competing clinical trials.

Subject enrollment may also be affected by a number of factors, including the size and nature of the relevant patient population, trial design and eligibility criteria, the perceived risks and benefits of the drug candidate, the severity of the disease under investigation, our resources to facilitate enrollment, physician referral practices, the availability of competing therapies or trials, our ability to obtain and maintain subject consents, the efforts of investigators and trial sites to recruit eligible subjects, the proximity and availability of trial sites, and natural disasters, health epidemics, acts of war or other public events.

Even if we are ultimately able to enroll a sufficient number of subjects, delays in enrollment may increase costs and affect the timing or outcome of our planned clinical trials, which in turn could delay or prevent their completion and adversely affect our ability to advance the development of our drug candidates.

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

AEs and undesirable side effects caused by our drug candidates could cause us or regulatory authorities to interrupt or halt clinical trials and may result in a narrowed scope of indications, a more restrictive label, a delay or denial of regulatory approval by the NMPA, the FDA or other comparable regulatory authorities, or significant changes to our clinical protocols or development plans. In particular, as is the case with other drugs treating diseases, it is likely that there may be side effects associated with the use of certain of our drug candidates. Results of trials conducted by us or our collaborating partners may reveal a high and unacceptable severity or prevalence of certain AEs. In such an event, such trials could be suspended or terminated, and the NMPA, the FDA or other comparable regulatory authorities could order us or our collaborating partners, as applicable, to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. AEs may also affect subject recruitment or the ability of enrolled subjects to complete the trials, and could result in liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

If undesirable side effects are identified after regulatory approval, regulatory authorities may withdraw approvals, revoke licenses, require additional label warnings or impose a risk evaluation and mitigation strategy or similar measures that restrict distribution or impose additional requirements. We or our collaborating partners may also have to suspend marketing, conduct post-marketing studies, face litigation and liability, or suffer reputational harm. In addition, combination therapy involving our drug candidates and third-party agents may give rise to unique or exacerbated AEs compared with monotherapies. Any of these events could prevent us or our collaborating partners from achieving or maintaining market acceptance of any approved drug candidate and could significantly harm our business, financial condition, results of operations and prospects.

We may be unable to successfully develop or market our drug candidates or may experience significant regulatory delays, if safety, efficacy or other issues arise from any pharmaceutical product or medical treatment used, or intended to be used, in combination with our drug candidates.

We plan to develop certain of our drug candidates for use as a combination therapy. For example, we are developing our TSN1611 in combination with other therapies for the treatment of pancreatic cancer and other solid tumors. We may also seek to develop our drug candidates in combination with other drugs in the future. However, the development of combination therapies requires coordination of multiple regulatory pathways and treatment modalities, which may present additional regulatory and technical complexities. If the NMPA, the FDA or other comparable regulatory authority fails to approve, or revokes its approval of such treatments or drugs we intend to use in combination with our drug candidates, we may not be able to develop or market our drug candidates as a combination therapy as planned. If safety or efficacy issues arise with such treatments or drugs that we seek to combine with our drug candidates in the future, we may fail to obtain regulatory approvals in a timely manner, and we may be required to redesign or terminate the applicable clinical trials. In addition, if manufacturing or other issues result in a supply shortage of any drugs we use in combination with, we may not be able to complete clinical development of our drug candidates as a combination therapy on our current timeline or within our current budget, or at all.

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RISKS RELATING TO MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

The future commercial success of our drug candidates will depend on the degree of their market acceptance in the medical community.

Even if our drug candidates receive regulatory approval, they may fail to gain sufficient market acceptance in the medical community. Physicians and patients may prefer other therapies to ours. If our drug candidates do not achieve adequate market acceptance, we may not generate significant revenue from their sales or become profitable.

Market acceptance of our drug candidates, if and only when they are approved for commercial sale, will depend on a number of factors, including the approved indications, their perceived safety and efficacy, their advantages over alternative treatments, the prevalence and severity of side effects, labeling and other regulatory requirements, the timing of launch relative to competing products, treatment cost, the availability of coverage and reimbursement, patients’ willingness to bear out-of-pocket costs, convenience of administration, and the effectiveness of our future sales and marketing efforts.

If our drug candidates are approved but fail to achieve or maintain market acceptance, including as a result of new products or technologies that are more effective, more favorably received or more cost-effective than ours, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We have limited experience in marketing drug candidates. If we fail to establish, expand and optimize an effective sales and distribution network for our drugs, our business could be adversely affected.

Our operations to date have been largely focused on developing our drug candidates, primarily undertaking preclinical studies and conducting clinical trials. To date, we have no experience in marketing approved drugs. We may in the future develop an in-house marketing and sales team, which will require significant capital expenditures, management resources and time. We will have to compete with other biopharmaceutical companies to recruit, hire, train and retain marketing and sales personnel.

We also plan to partner with established commercial teams externally for quick entries into the market. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or, if we are able to do so, that effective sales forces and network will be established. Any revenue we receive will partially depend on the efforts of such third parties, which may not be successful. We may have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. See “— Risks Relating to Collaboration with Third Parties.” We will also face competition in our search for reputable third parties to assist us with the sales and marketing efforts of our drug candidates. There can be no assurance that we will be able to develop in-house sales and marketing capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any product, and as a result, we may not be able to generate product sales revenue.

The size of the potential market for our current or future drug candidates is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our current or future drug candidates may be smaller than our estimates.

Our projections of the number of patients who have the potential to benefit from treatment with our drug candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, or market research and may prove to be incorrect. Further, new studies may change the estimated

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incidence or prevalence of these diseases. The number of patients may turn out to be fewer than expected. As a result, the potentially addressable patient population and market size for our drug candidates may be smaller than our estimates. Furthermore, there is no guarantee that any of our drug candidates, even if approved, would be approved for the line of therapy we are aiming for. For example, cancer therapies may be characterized as first line, second line or later line therapy depending on options for treatment and prior treatments received. For indications with well-established standard of care therapies, the NMPA, the FDA and other comparable regulatory authorities may approve new therapies initially only for later lines of therapy. There is no guarantee that our drug candidates will be approved as early-line therapies for our targeted indications. For example, our Core Product may not be approved as first-line therapy, which could result in a smaller market share than we expect. As a result, even if we obtain market approval for our drug candidates, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy or for additional indications.

Even if we are able to commercialize any approved drug candidates, reimbursement may be limited or unavailable in certain market segments, and we may be subject to unfavorable pricing regulations, which could harm our business.

The regulations governing pricing and reimbursement for new therapeutic products vary across jurisdictions, and our ability to successfully commercialize any approved drug candidates will depend in part on the availability and level of reimbursement from government authorities, private insurers and other payers. Cost containment is a significant trend in the global healthcare industry, and government authorities and third-party payers often seek to limit coverage and reimbursement for particular drugs.

In China, inclusion in China’s National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (國家基本醫療保險、工傷保險和生育保險藥品目錄) (“NRDL”) is regularly reviewed by the relevant authorities, and there can be no assurance that any of our future approved drug candidates will be included. If our products are not included, commercial sales may depend largely on patient self-payment, which could make our products less competitive. Even if included, we may be required to significantly reduce prices, which could adversely affect our revenue. In addition, the pricing of certain drugs and biologics in China is subject to governmental control, which can take considerable time even after obtaining regulatory approval.

In the U.S., there is no uniform policy for drug coverage and reimbursement among third-party payers. Obtaining coverage and reimbursement can be time-consuming and costly and may require us to provide scientific, clinical and cost-effectiveness data on a payer-by-payer basis. Even if coverage is obtained, reimbursement rates may not be adequate to achieve or sustain profitability, and required patient co-payments may be too high to support broad utilization. In addition, payers may not cover or adequately reimburse long-term follow-up evaluations associated with our approved drug candidates.

More generally, reimbursement may not be available for any approved drug candidates we commercialize, or may be delayed, limited in scope or insufficient in amount. Coverage may be narrower than the approved indications, and payment rates may not cover our costs of research, development, manufacturing, sale and distribution. If we fail to obtain timely and adequate reimbursement at acceptable pricing levels, our business, operating results and financial condition could be materially and adversely affected.

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The manufacturing of pharmaceutical products is a complex process that requires strict quality control, and we have limited experience in manufacturing pharmaceutical products on a large commercial scale.

As of the Latest Practicable Date, we had not built commercial manufacturing capabilities. As such, we have limited experience in manufacturing biopharmaceutical products on a commercial scale, which is a complex process, in part due to strict regulatory requirements. We may encounter issues relating to the manufacturing of our drug candidates in the future. We also face certain risks in relation to the CDMOs we engage for manufacturing activities. See “— Risks Relating to Collaboration with Third Parties — Any failure by CDMOs that we engage with to perform in accordance with required timelines, quality standards and regulatory requirements could materially and adversely affect our business.”

Issues may arise during the manufacturing process for reasons including (i) equipment malfunction, (ii) failure to follow specific protocols and procedures, (iii) problems with raw materials, (iv) changes in manufacturing production sites or limits to manufacturing capacity due to regulatory requirements, (v) changes in the type of products produced, (vi) advances in manufacturing techniques, (vii) physical limitations that could inhibit continuous supply, and (viii) the occurrence of natural disasters. If problems arise during the production process of certain future products, a batch or several related batches of such product may have to be discarded and cause production delays, cost increases, lost revenue and damage to customer relationships and our reputation. If problems are not discovered before the relevant products are released to the market, we may incur additional costs in connection with product recalls and product liability.

RISKS RELATING TO COLLABORATION WITH THIRD PARTIES

We have entered into licensing or collaboration arrangements with third parties, and may seek additional partnerships in the future. We may fail to identify suitable business partners or may not realize the expected benefits of such partnerships.

We may seek strategic partnerships and other collaborations, including licensing arrangements with third parties, that we believe will complement or augment our drug development, manufacturing and commercialization efforts and any future drug candidates that we may develop.

However, our results of operations may be affected by such arrangements, and existing and future collaboration and licensing agreements may involve various risks. Collaborators may have substantial discretion in determining the efforts and resources they devote to a collaboration, and such arrangements may be terminated on short notice or as a result of a party’s failure to comply with its contractual obligations. Our partners may also elect to cease collaboration due to changes in strategic priorities, acquisitions of competing products, funding constraints or other external factors. If a collaboration is terminated, we may need additional capital to continue the development or commercialization of the relevant drug candidate on our own.

In addition, collaborators may delay or discontinue clinical trials, provide insufficient funding, require additional or repeat trials, or request changes to a drug candidate or its formulation. Milestone payments and royalties under these arrangements are typically contingent on the achievement of specified development, regulatory and commercialization targets, and we may not be able to receive the full amounts contemplated by the relevant agreements. Collaborators may also fail to properly maintain or defend our intellectual property rights, use our intellectual property or proprietary information in a manner that gives rise to litigation or liability, develop products that compete directly or indirectly with our drug candidates, or own or co-own intellectual property arising from the collaboration, in which case we may not have exclusive rights to such intellectual property. Our collaboration arrangements may also be adversely affected by geopolitical tensions, including cross-border data transfer restrictions, trade policies and export controls.

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For these and other reasons, we may not achieve the expected benefits or synergies from our licensing and collaboration arrangements, or may not achieve them within the expected time frame. Such arrangements are inherently uncertain and may expose us to increased costs, unknown liabilities, business disruption and diversion of management attention.

We also face substantial competition in identifying appropriate strategic partners, and the negotiation of such arrangements can be time-consuming and complex. We may be unable to establish a partnership or alternative arrangement for a drug candidate because it is considered too early in development or because third parties do not view it as having sufficient safety, efficacy or commercial potential. If we do enter into a collaboration for the development or commercialization of a drug candidate, we may be required to relinquish some degree of control over its future development and success, and our collaborators may choose to pursue alternative drug candidates or technologies instead.

If we are unable to enter into agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may need to curtail, delay or discontinue the development or commercialization of a drug candidate or other development programs, reduce the scope of related sales and marketing activities, or undertake such activities at our own expense. As a result, there can be no assurance that any licensing or collaboration arrangement will generate revenue, net income or other benefits sufficient to justify the transaction. Any of these circumstances could materially and adversely affect our business, financial condition, results of operations and prospects.

If CROs that we engage fail to comply with applicable regulatory requirements, procedures or contractual duties, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially and adversely affected.

We engaged 23, 28 and 13 CROs for the years ended December 31, 2024, 2025, and for the six months ended June 30, 2026, respectively, and plan to continue to engage third-party CROs and other third parties for our ongoing preclinical and clinical programs. Although we supervise and control only certain aspects of their activities, we remain ultimately responsible for ensuring that each of our studies and trials is conducted in accordance with applicable protocols and legal, regulatory and scientific standards. Our cooperation with CROs and other third parties does not relieve us of our regulatory responsibilities.

CROs are required to comply with applicable GCP, GLP, cGMP and other regulatory requirements enforced by the NMPA, the FDA and other comparable regulatory authorities. If any CRO or other third party we engage fails to meet these requirements, adhere to protocols, perform to expected standards or deliver timely and reliable data, our trials may be compromised, delayed, prolonged, suspended or terminated, and the resulting data may be rejected by regulatory authorities. In that event, we may be required to repeat preclinical studies or clinical trials, which could delay regulatory approval and commercialization of our drug candidates.

Our reliance on third parties also exposes us to additional risks. We may need to disclose proprietary information or confidential subject data to such parties, increasing the risk of misappropriation. If our relationships with existing CROs or other service providers terminate, we may not be able to identify and engage suitable replacements on a timely basis or on commercially reasonable terms, and switching or adding providers may involve additional costs and delays. In addition, evolving regulatory and geopolitical developments, including measures such as the BIOSECURE Act in the U.S., may further limit our ability to engage or continue using certain CROs and other third parties, particularly in overseas markets. Any of these circumstances could materially and adversely affect our business, financial condition, results of operations and prospects.

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Any failure by the CDMOs we engage to perform in accordance with required timelines, quality standards and regulatory requirements could materially and adversely affect our business.

To date, we have engaged reputable CDMOs in China for our clinical development. During the Track Record Period, we engaged five, seven, and 11 CDMOs for the years ended December 31, 2024, 2025, and for the six months ended June 30, 2026, respectively. We expect to continue to engage third-party CDMOs to manufacture our drug candidates for our research and development activities and may also engage them for future commercial sales. Our engagement of third-party CDMOs exposes us to certain risks. The number of qualified manufacturers is limited, and any such manufacturers may be subject to evaluation and/or approval by the NMPA, the FDA or other comparable regulatory authorities. Our CDMOs may also have limited capacity or manufacturing slots, which could affect the development timeline of our drug candidates. In addition, they are subject to periodic inspections and extensive regulatory requirements, including cGMP requirements, and we do not have full control over their compliance with such requirements.

Our CDMOs may also fail to manufacture our drug candidates in a timely manner or in the required quantities or quality to meet our clinical or commercial needs, fail to execute our manufacturing procedures or logistical support requirements properly, or otherwise fail to perform as agreed. They may also fail to properly obtain, protect, maintain, defend or enforce our intellectual property rights, use our intellectual property or proprietary information in a manner that gives rise to actual or threatened litigation, or infringe, misappropriate or otherwise violate the intellectual property rights of third parties. In addition, our CDMOs may terminate their agreements with us, certain raw materials or products supplied by them may not be readily available from alternative sources, and natural or man-made disasters, labor disputes, political instability and other events beyond our control may interrupt the manufacturing process of our drug candidates.

Any of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates, increase our costs, or adversely affect the commercialization of our current and future approved drugs.

We, our CROs and CDMOs cooperate with third parties to provide a stable and adequate supply of quality materials and other products for our drug development needs. Any interruptions of or significant price increases in such supply could adversely affect our business.

During the Track Record Period, we, our CROs and CDMOs cooperated with third parties to supply certain raw materials and products used in our research and development and manufacturing processes. We expect to continue to do so for the development of our drug candidates and, if approved, their future commercialization.

Any disruption in supply, or any inability of our suppliers or the suppliers of our CROs and CDMOs to provide adequate quantities on a timely basis, could impair our operations, delay the research and development of our drug candidates and adversely affect the commercialization of any approved products. As our business expands and our drug candidates advance toward commercialization, our demand for such materials and products is expected to increase, and existing suppliers may not have sufficient capacity to meet that demand. We may also face significant cost increases that we may not be able to pass on, which could reduce our profitability.

In addition, the quality of procured raw materials and products manufactured by CDMOs depends in part on the effectiveness of our quality control and quality assurance systems and those of our CDMOs, and we may not be able to identify or remedy all quality issues in a timely manner. We also cannot assure you that these third-party suppliers will maintain the licenses, permits and approvals necessary for their operations or comply with applicable laws and regulations. Any failure to do so could interrupt their operations, lead to shortages of materials or products supplied to us, delay our clinical trials or regulatory filings, result in product recalls, expose us to product liability claims or regulatory non-compliance, and cause us to incur significant costs. Any of these events could materially and adversely affect our business, financial condition and results of operations.

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Our relationship with certain PIs, KOLs and other industry experts may affect the clinical development and future marketing of our drugs.

Our relationships with principal investigators (“**PIs**”), key opinion leaders (“**KOLs**”), and other industry experts are important to our research and development and marketing activities. For details, see “Business — Research and Development — Clinical Development — Clinical Trial Design and Implementation.” We have established extensive interaction channels with PIs, KOLs, physicians and experts to gain first-hand knowledge of unmet clinical needs and clinical practice trends, which supports our efforts to develop market-responsive drugs. However, we may not be able to maintain or strengthen these relationships, or that our efforts to maintain or strengthen such relationships will lead to the successful development and marketing of new products.

These industry participants may leave their roles, change their business or practice focus, stop collaborating with us or choose to collaborate with our competitors instead. Even if they continue to collaborate with us, their market insights and perceptions may prove inaccurate and cause us to develop products with limited market potential. Even if their insights and perceptions are correct, we may still fail to develop commercially viable products or implement effective marketing strategies. If we are unable to maintain these relationships or derive the expected benefits from them, our business, financial condition and results of operations could be materially and adversely affected.

We collaborated with a limited number of suppliers during the Track Record Period.

During the Track Record Period, our major suppliers primarily consisted of CROs and CDMOs. For the years ended December 31, 2024, 2025, and for the six months ended June 30, 2026, we collaborated with 23, 28 and 13 CROs, and five, seven and 11 CDMOs, respectively. For the years ended December 31, 2024, 2025, and for the six months ended June 30, 2026, our purchases from our five largest suppliers in each year/period during the Track Record Period in aggregate amounted to RMB21.9 million, RMB47.2 million, and RMB34.5 million, representing 39.1%, 46.3% and 39.6% of our total purchases, respectively. Purchases from the largest supplier in each year/period during the Track Record Period amounted to RMB6.4 million, RMB21.1 million, and RMB13.2 million, representing 11.5%, 20.7% and 15.2% of our total purchases, respectively. If any of these key suppliers, especially our largest supplier, is unable or unwilling to continue to supply to us in a timely manner, experiences quality control issues, fails to comply with regulatory requirements, significantly increases prices or otherwise becomes unable to fulfill our supply needs, it may be difficult for us to identify suitable alternative suppliers or secure regulatory approvals for such suppliers in a timely and cost-effective manner. As a result, our business operations, R&D progress, financial condition and results of operations could be materially and adversely affected.

We may be exposed to customer concentration risk.

As of the Latest Practicable Date, we had not obtained marketing approval for any drug candidates, nor had we generated any revenue from product sales. During the Track Record Period, we generated revenues primarily from research and development services, and payments received under a joint discovery and development agreement. Our historical revenue is dependent on a limited number of service customers and collaboration partners. Our major customers’ stable relationship with us and consistent demands are crucial to our business. Any disruption in our business relationship, or any deterioration in the business conditions, liquidity, and solvency of our customers, may have a material adverse effect on us. In the event that our existing major customers or partners terminate our agreements, delay or fail to make any upfront, milestone, and royalty payments, or reduce their demand for our services, we may be unable to find new customers or alternative partners in time on comparable terms within a reasonable period. This could have a material and adverse effect on our business, financial condition, and results of operations.

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RISKS RELATING TO OUR OPERATIONS

The continued and collaborative efforts of our senior management, scientific employees and other key employees are crucial to our success.

We highly value the expertise of the members of our research and development team, as well as the principal members of our management. Recruiting, retaining and motivating qualified management, scientific, clinical and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Further, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize drugs. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions.

Our potential engagement in acquisitions or strategic partnerships in the future may increase our capital requirements, dilute the value of your [REDACTED] in our Shares, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

To support our growth, we may acquire businesses, products, technologies or know-how or enter into strategic partnerships that we believe would benefit our product development, technology advancement or distribution network. Any such acquisition or strategic partnership may involve significant risks. It may increase our operating expenses and cash requirements, require us to assume additional indebtedness or contingent liabilities, or result in the issuance of equity securities that dilute our Shareholders. Such transactions may also create difficulties in integrating acquired operations, intellectual property, products and personnel, and we may fail to achieve the expected benefits or synergies. In pursuing and implementing these transactions, our management’s attention may be diverted from our existing product programs and business initiatives. We may also face difficulties in retaining key employees, maintaining important business relationships and evaluating risks relating to the counterparty, including its prospects and its existing drugs or drug candidates.

In addition, we may be unable to generate sufficient revenue from acquired technologies or products to justify the transaction or offset the related costs. Such transactions may also result in substantial one-off expenses, significant future amortization expenses and accounting impacts that could materially affect our financial results. Moreover, we may not be able to identify suitable acquisition or strategic partnership opportunities on acceptable terms, or at all, which could impair our ability to grow or obtain access to technologies or products that may be important to our business.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product liability, privacy protection, environmental and safety matters, breach of contract, employment or labor disputes and intellectual property rights. Any inspections, claims, disputes or legal proceedings initiated by us or brought against us, our management or directors, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, inspections, claims, disputes or legal proceedings against us, our management or directors may be due to actions taken by our counterparties, such as our CROs,

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CDMOs and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

Our reputation is important to our success. Negative publicity with respect to us, our Shareholders, management, employees, business partners, affiliates, or our industry, may materially and adversely affect our reputation, business, results of operations and prospects.

We believe that market awareness and recognition of our brand image, and the maintenance of a positive brand image, is crucial to the success of our business. Our reputation is vulnerable to potential threats that can be difficult or impossible to control, and costly or impossible to remediate. We may not be successful in promoting our brands to remain competitive. In addition, because we rely on various third parties, such as CROs and CDMOs, to support the research and development of our drug candidates, and may engage additional third parties to expand market access, our ability to manage our reputation may be further constrained by our limited control over such parties. See “— Risks Relating to Collaboration with Third Parties.” Any regulatory inquiries, investigations or other actions involving us or our management, or any perceived unethical, fraudulent or otherwise inappropriate conduct by us, our management, employees, business partners or affiliates, could significantly damage our reputation, impair our ability to attract and retain talent and business partners, and materially and adversely affect our business and prospects.

We may be exposed to risks of conducting our business and operations in international markets.

International markets are an important component of our growth strategy. We plan to explore overseas market opportunities, seek licensing and co-development opportunities with global MNCs, and advance our multi-region clinical programs. However, such activities may subject us to additional risks, including increased expenses and diversion of management attention, changes in political, cultural or economic conditions, differing regulatory requirements for drug approval and marketing, difficulties in enforcing contractual rights, reduced intellectual property protection, unexpected changes in tariffs, trade barriers and other regulatory requirements, compliance burdens under multiple legal regimes, and business interruptions caused by geopolitical events or natural disasters. Any of these risks could materially and adversely affect our ability to generate revenue and profits from international markets.

Increased labor costs could slow our growth and affect our operations and profitability.

Our operations depend in part on the skills and know-how of our employees. For the years ended December 31, 2024, 2025, and for the six months ended June 30, 2026, our staff costs amounted to RMB34.9 million, RMB39.1 million, and RMB20.6 million, representing 42.5%, 31.6% and 19.3% of our total operating costs, respectively. In recent years, the average labor cost in the global pharmaceutical market, particularly for highly skilled and experienced personnel, has been steadily increasing as the competition for qualified employees has become more intense. There may be further increase in labor cost, which may adversely affect our operations and financial condition. In addition, share options and other share-based incentives granted under our existing or future share-based incentive arrangements and schemes could adversely affect our costs and our results of operations.

Our leased properties may be subject to non-compliances or challenges that could potentially affect our future use of them.

We lease certain properties in China as our offices and research and development facilities. Pursuant to the Measures for Administration of Lease of Commodity Properties (商品房屋租賃管理辦法), both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. As of the Latest Practicable Date, we had not registered two of our lease agreements in China. We may be ordered by the relevant government

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authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. In addition, upon the expiration of our existing leases, we may not be able to renew them, or enter into replacement leases, on commercially acceptable terms or at all, which may adversely affect our business, results of operations or financial condition.

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 maintain industry-standard benefit plans in accordance with relevant laws and regulations, based on our assessment of our operational needs and industry practice. Our insurance coverage for adverse events in clinical trials may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

Changes in U.S. and international trade policies and political tensions, particularly with regard to China, may adversely impact 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. Trade conflicts and geopolitical tensions between China and other countries or regions may adversely affect our business, financial condition, results of operations, cash flows and prospects. China’s relationships with foreign countries and regions may affect the prospects of our relationship with third parties, such as business partners, suppliers and future customers. There can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the state of relationships between China and the relevant foreign countries or regions. Any trade conflicts and geopolitical tensions 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 condition, results of operations, cash flows and prospects. Rising trade and geopolitical tensions, as well as changes in relevant government policies could reduce levels of trades, investments, technological exchanges and other economic activities between China and other countries and regions. For example, on February 21, 2025, U.S. President Donald J. Trump issued a memo entitled the “America First Investment Policy” (“**America First Memo**”), outlining the ongoing review and consideration of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors such as semiconductors, artificial intelligence, quantum, biotechnology, hypersonics, aerospace, advanced manufacturing, and directed energy. The America First Memo also contemplates potential restrictions on investments in publicly traded securities by pension funds, university endowments and other limited partner investors. Further, on April 15, 2025, the U.S. The Department of Commerce announced investigations into the national security implications of semiconductor and pharmaceutical product imports. Such dynamics underscore the unpredictability of cross-border policy landscapes and their potential to disrupt the interconnected economic and trade activities essential that our business relies on.

Furthermore, tensions and political concerns between China and other countries or regions may adversely affect our business, financial condition, 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. There can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. On September 9, 2024, the U.S. House of Representatives voted in favor of a similar version of such legislation titled the BIOSECURE Act (“**BIOSECURE Act**”). On October 9, 2025, the U.S. Senate introduced an amended version of the BIOSECURE Act (“**October 2025 Senate**

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Amendment) into the FY2026 National Defense Authorization Act (“**FY2026 NDAA**”). The final reconciled version of the FY2026 NDAA was released on December 7, 2025, incorporating a revised version of the BIOSECURE Act based on the October 2025 Senate Amendment, which was signed by U.S. President Donald J. Trump on December 18, 2025. The core provisions of the enacted BIOSECURE Act remain consistent from the October 2025 Senate Amendment: federal agencies are prohibited from contracting with or funding companies that are designated “biopharmaceutical companies of concern.” The BIOSECURE Act’s final definition of “biopharmaceutical companies of concern” includes (i) entities on the Department of Defense’s section 1260H list of Chinese military companies operating in the United States (known as the “**1260H List**”), and (ii) entities that will be named through a process headed by the Office of Management and Budget (“**OMB**”), who must supplement the list of biopharmaceutical companies of concern within one year of enactment. If our suppliers or business partners were to be listed as “biopharmaceutical companies of concern,” our ability to engage in business with the U.S. government or with companies that engage in business with the U.S. government may be limited. Prohibitions in the BIOSECURE Act will not take effect until the OMB issues implementing guidance and relevant federal regulations are finalized. The timing and substance of such enabling regulations remain subject to uncertainty and may differ materially from current expectations. We are of the view that the BIOSECURE Act would not have a material and adverse impact on our business, primarily because we, or any of our subsidiaries, are not a recipient of any U.S. federal government contracts, loans, grants or funding and do not anticipate applying for such contracts, loans, grants or funding in the future. Furthermore, to the best of our knowledge, none of our business partners are using any services provided by us under the respective arrangements in connection with any federal contracts, loans, grants or funding. During the Track Record Period and up to the Latest Practicable Date, we did not have business relationship with any entity included in the 1260H List.

We are a pre-commercial biopharmaceutical company with no marketed products or product sales to date, and our operations are focused primarily on research and development of our drug candidates. We do not currently engage in commercial activities with U.S. government entities or rely on U.S. sales revenue. Based on our current business model and development stage, these trade restrictions have not had any material adverse impact on our research and development activities, financial performance or growth prospects. However, if future legislative or policy changes were to restrict collaboration with certain counterparties or suppliers, we may consider appropriate adjustments to our sourcing or collaboration arrangements to ensure the continued progress of our research and development activities.

Geopolitical tensions, such as the tightening of technology-transfer controls or country-specific procurement restrictions, may indirectly slow the pace of international clinical collaboration and regulatory coordination, potentially prolonging approval timelines in certain overseas jurisdictions. In the broader competitive landscape, geopolitical frictions could also intensify market consolidation in targeted jurisdictions, as multinational participants localize production or redirect clinical resources to geographies perceived as lower-risk. These developments may alter the distribution of innovation and competition in the global biotechnology field over time.

Furthermore, the U.S. government has made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies towards China. Any rising trade and political tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our drug products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development, or prevent us from selling our drug products in certain countries. We cannot predict how tariff policies may further evolve or anticipate any potential impacts of subsequent developments in such policies on our business. Any rising trade and geopolitical tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our future drug products. Such unfavorable policies may also negatively impact the hiring of scientists and other research and development personnel, and the

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demand for and competitiveness of our drugs. If any new tariffs, policies, legislation and/or regulations are announced or implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control.

Natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control, such as floods, earthquakes, fires, droughts, widespread disease outbreaks, power, water or fuel shortages, information system failures and other technical disruptions, may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. These events may materially disrupt our business and operations delay our ongoing and future clinical trials, adversely affect our business partners, injure our employees or even cause loss of lives, and destroy our markets. Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

RISKS RELATING TO GOVERNMENT REGULATIONS

The regulatory approval processes of the NMPA, the FDA and other comparable authorities are lengthy, time-consuming and inherently unpredictable. If we are ultimately unable to obtain, or experience material delays in obtaining, regulatory approval for our drug candidates in our targeted markets, our business may be subject to actual or perceived harm.

Approval from the NMPA, the FDA and other comparable regulatory authorities typically take many years following the commencement of preclinical studies and clinical trials. In addition, approval policies, regulations or the type and amount of clinical data required for approval may change during the course of development and may vary across jurisdictions. Additional time, effort and expense may be required to bring our drug candidates, upon regulatory approval, to the markets in compliance with different regulatory processes.

Our drug candidates may fail to receive the regulatory approval of the NMPA, the FDA or comparable regulatory authorities for many reasons. Regulatory authorities may disagree with the design or implementation of our clinical trials or our interpretation of preclinical or clinical data, or may determine that our data are insufficient to support submission, filing or approval. They may conclude that a drug candidate has not been shown to be sufficiently safe, effective or potent for its proposed indication, that its benefits do not outweigh its safety risks, or that our trial results do not meet the required level of statistical significance. Regulatory approval may also be delayed or denied if our clinical trial processes fail to comply with applicable GCP requirements, our clinical sites fail regulatory audits, our drug candidates or manufacturing facilities fail cGMP inspections, or regulatory authorities identify manufacturing deficiencies. In addition, changes in approval policies, regulations, scientific standards or technological requirements may render our existing preclinical or clinical data insufficient for approval.

The NMPA, the FDA or other comparable regulatory authorities may require additional information, including further preclinical or clinical data, which may delay or prevent approval and our commercialization plans. Any of the foregoing scenarios could adversely affect the commercial prospects of our drug candidates.

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Changes in laws and regulations relating to the biopharmaceutical industry may result in additional compliance risks and costs.

In China, the U.S. and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes relating to the biopharmaceutical industry and the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved drugs and affect our ability to profitably sell any drug candidates for which we obtain marketing approval. See “— Risks Relating to Manufacturing and Commercialization of Our Drug Candidates — Even if we are able to commercialize any approved drug candidates, reimbursement may be limited or unavailable in certain market segments for our drug candidates, and we may be subject to unfavorable pricing regulations, which could harm our business.”

For example, the PRC government has enacted a series of new laws and regulations in recent years aimed at improving the affordability and deterring potential over-use of oncology drugs. In December 2020, for instance, the National Health Commission (“NHC”), formerly known as the National Health and Family Planning Commission, released the Notice on the Temporary Measures Regulating the Clinical Use of Oncology Drugs (關於印發抗腫瘤藥物臨床應用管理辦法(試行)的通知), followed by more detailed guidance announced in its Measurement Criteria for the Reasonable Clinical Use of Oncology Drugs (2021 Version) (抗腫瘤藥物臨床合理應用管理指標(2021年版)) in June 2021 (“Oncology Drug Guidance”), according to which several factors will be considered to evaluate whether the oncology drugs, especially “restricted class drugs,” are under reasonable use by the medical institutions, in terms of usage rate and amount, among other criteria. Under the Oncology Drug Guidance, anti-tumor drugs may be designated as “restricted class drugs” if they exhibit one or more of the following characteristics: (i) Poor Safety Profile, i.e., the drug demonstrates significant safety risks; (ii) New to the Market, i.e., the drug is a recent market entry with limited real-world usage data; and (iii) Prohibitively Priced, i.e., the drug carries a high cost that may burden the healthcare system or patients. If our oncology drug candidates are categorized as “restricted class drugs” after commercialization, there may be a reduction in demand from both medical institutions and patients due to stricter usage controls. The commercialization and marketing efforts for these candidates could be adversely affected, as there would be more rigorous prescription and coverage criteria. Failure to address and comply with these evolving regulations could result in penalties and harm our business and financial condition.

These legislative trends and regulatory measures can potentially affect the sales, profitability and prospects of our future commercialized pipeline products. Moreover, because these laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these laws and regulations and any subsequent changes, we may be subject to penalty, and our business may be harmed.

We face regulation and potential liability related to privacy, data protection and information security which may require significant resources and may adversely affect our business, operations and financial performance.

We and the CROs we engage may routinely receive, collect, generate, store, process, transmit and maintain medical data, treatment records and other personal details of subjects enrolled in our clinical trials, along with other personal or potentially sensitive information. As such, we are subject to the relevant local, state, national and international data protection and privacy laws, directives, regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations.

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In recent years, the PRC authorities have promulgated certain laws and regulations in respect of information security, data collection and privacy protection regulations in the PRC, including the Cybersecurity Law of the PRC (中華人民共和國網絡安全法), the Provisions on Protection of Personal Information of Telecommunication and Internet Users (電信和互聯網用戶個人信息保護規定), the Cybersecurity Review Measures (網絡安全審查辦法) which became effective from February 15, 2022, the Data Security Law of the PRC (中華人民共和國數據安全法) which became effective from September 1, 2021, the Personal Information Protection Law of the PRC (中華人民共和國個人信息保護法) which became effective from November 1, 2021, and the Measures for the Security Assessment of Data Export (數據出境安全評估辦法) which became effective from September 1, 2022. Under the Personal Information Protection Law of the PRC, in case of any personal information processing, such individual’s prior consent shall be obtained, unless other legal bases are satisfied. Further, any data processing activities, that are in relation to the sensitive personal information including but not limited to biometrics, medical health and personal information of teenagers under fourteen years old, are not allowed, unless such activities have a specific purpose, are highly necessary and strictly protective measures have been taken and separate consent has been obtained from the individuals involved.

These data protection and privacy law regimes continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance including, for example, substantial operational costs associated with changes to our data processing practices.

The personal information of patients or subjects which might be involved in our clinical trials could be highly sensitive and we are subject to strict requirements under the applicable privacy protection regulations in the relevant jurisdictions, which may require us to commit substantial resources to ensure compliance.

We may be subject to ongoing regulatory obligations and continued regulatory review after we receive regulatory approval for our drug candidates, which may result in significant additional expenses.

If the NMPA, the FDA or other comparable regulatory authorities approve any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and record-keeping for the drug will be subject to extensive and ongoing regulatory requirements on pharmacovigilance. These requirements include submissions of safety and other post-marketing information and reports, registration, random quality control testing, adherence to any chemistry, manufacturing, and controls (“CMC”), variations, continued compliance with current cGMPs, and GCPs and potential post-approval studies for the purposes of license renewal.

Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or other conditions of approval, including requirements to conduct potentially costly post-marketing studies for the surveillance and monitoring of the safety and efficacy of the drug.

In addition, once a drug is approved by the NMPA, the FDA or other comparable regulatory authorities for marketing, previously unknown problems may emerge, including problems with third-party manufacturers or manufacturing processes. If this occurs, we may become subject to restrictions on marketing or manufacturing, withdrawal of the drug from the market, voluntary or mandatory recalls, fines, warning letters, clinical holds, refusal by the NMPA, the FDA or other comparable regulatory authorities to approve pending applications or supplements, suspension or revocation of approvals, refusal to accept our other INDs, NDAs or BLAs, seizure or detention of products, refusal to permit import or export, or injunctions and civil, administrative or criminal penalties.

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Moreover, applicable laws, regulations or policies may continue to evolve and become more stringent, which could prevent, limit or delay regulatory approval of our drug candidates. Any government investigation of alleged violations of law could also require us to devote significant time and resources and could generate negative publicity, which in turn could significantly harm our business, financial condition and pipeline.

Changes in political and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Since a substantial portion of our operations are based in the PRC, our business, financial condition, results of operations and prospects may be affected by economic, political, social and legal developments in China. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources, such as the revisions to the Regulation of the PRC on the Management of Human Genetic Resources (中華人民共和國人類遺傳資源管理條例) in March 2024 and the revisions to the Biosecurity Law of the PRC (中華人民共和國生物安全法) in April 2024. For details, see “Regulatory Overview — PRC Laws and Regulations Relating to Drugs”. However, the extent to which our business operations will be able to benefit from such measures, if at all is uncertain. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may be classified as a “PRC resident enterprise” for PRC EIT purposes and our income may be subject to PRC tax under the relevant PRC laws.

Under the Enterprise Income Tax Law of the PRC (“EIT Law”), an enterprise established outside of China with “de facto management bodies” within China is considered a “resident enterprise,” meaning that it will be treated in a manner similar to a Chinese enterprise for PRC enterprise income tax purposes. Under the Circular of the STA on Issues Concerning the Identification of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their De Facto Management Bodies (關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) issued by the STA on April 22, 2009 and partially abolished in December 2017, or Circular 82, provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore. Under Circular 82, an offshore enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management and their work location is in the PRC; (ii) decisions relating to the enterprise’s financial and human resources matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. On July 27, 2011, the STA issued Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (境外註冊中資控股居民企業所得稅管理辦法(試行)), or Bulletin 45, which became effective on September 1, 2011 and as amended in 2015, 2016 and 2018, to provide further guidance on the implementation of Circular 82. Bulletin 45 clarifies certain issues related to determining PRC resident enterprise status, including which the competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration.

The STA may take the view that the determining criteria set forth in Circular 82 and Bulletin 45 reflect the general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. Additional implementing regulations or guidance may be issued determining that we or any of our subsidiaries incorporated out of the

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PRC is a “resident enterprise” for PRC enterprise income tax purposes. If the PRC tax authorities determine that we or any of our subsidiaries incorporated out of the PRC is a resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we and our non-PRC subsidiaries may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income, as well as to PRC enterprise income tax reporting obligations. Second, dividends paid by our PRC subsidiaries to us may be subject to any withholding tax. Finally, the CIT Law and its implementing rules issued by PRC tax authorities provide that dividends paid by us to our non-PRC shareholders and capital gains recognized by them with respect to the sale of our Shares may be subject to tax of 10% for non-PRC resident enterprise shareholders and 20% for non-PRC resident individual shareholders. In the case of dividend payments, such PRC tax may be withheld at source.

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

Any loans provided by our offshore holding companies to our PRC subsidiaries are subject to PRC regulations and such loans must be registered with the local branch of the SAFE. Additionally, if we finance such subsidiary by means of additional capital contributions, these capital contributions must be registered, reported or filed with certain government authorities, including MOFCOM, the State Administration for Market Regulation and SAFE or their local counterparts. We may not be able to obtain these government registrations or approvals or to complete registration procedures on a timely basis, if at all, with respect to future loans or capital contributions by us to our subsidiaries or any of their respective subsidiaries. If we fail to obtain such approvals or registrations, our ability to make equity contributions or provide loans to our PRC subsidiaries or to fund their operations may be materially and adversely affected. This may materially and adversely affect our PRC subsidiaries’ liquidity, their ability to fund their working capital and expansion projects, and their ability to meet their obligations and commitments. As a result, this may have a material adverse effect on our business, financial condition and results of operations.

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

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

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends to our investors or other obligations to our suppliers, or otherwise fund and conduct our business.

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Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知). Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year and have been granted options will be subject to these regulations when our company becomes an overseas-[REDACTED] company upon the completion of the [REDACTED]. Failure to complete SAFE registrations may subject them or us to fines or supervision measures. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees.

In addition, the STA, has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiary has obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes for those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

You may experience difficulties in effecting service of process or enforcing foreign judgments against us or our management.

Cross-border service of process presents inherent uncertainties. Most of our assets are situated in the PRC and most of our directors and officers reside in the PRC. Therefore, there remains the possibility that it may be difficult to effect service of process outside the PRC upon most of our directors and officers, including with respect to matters arising under applicable securities laws. The PRC does not have treaties providing for the reciprocal recognition and enforcement of civil case judgments of courts with the U.S. and many other countries. Consequently, you may experience difficulties in enforcing against us or our directors or officers in the PRC any judgments obtained from courts outside of the PRC.

On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排), or the Arrangement, pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. On January 18, 2019, the Supreme People’s Court and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (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), which has come

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into effect on January 29, 2024 and superseded the Arrangement, or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the mainland. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. After the New Arrangement became effective, a judgment rendered by a Hong Kong court can generally be recognized and enforced in the PRC even if the parties in the dispute do not enter into a choice of court agreement in writing. However, judgments made by Hong Kong courts may not be recognized and enforced in the PRC, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court in accordance with the New Arrangement.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we are unable to obtain and maintain patent and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize drugs and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize our drugs may be adversely affected.

Our commercial success depends, to a certain extent, on our ability to protect our proprietary technology and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. We seek to protect our drug candidates and technology that we consider commercially important primarily by filing patent applications in China, the U.S. and other countries or regions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. This process is expensive and time-consuming, and we or our business partners may not be able to file and prosecute all necessary or desirable patent applications and secure other intellectual property protection in all jurisdictions in a timely manner. It is also possible that we or our business partners will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, we or our business partners may fail to timely identify third-party infringement of our intellectual property rights and take necessary actions to defend and enforce our rights, or at all.

The patent position of pharmaceutical companies generally involves complex legal and factual questions, and can be frequently litigated. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are uncertain. For example, our current patent applications and future patent applications may overlap with certain patent applications filed by third parties. For details on our patent applications, see “Business — Intellectual Property.” Our current and future patent applications may not be granted with claim scope that effectively prevents third parties from commercializing competitive technologies and drug candidates. The patent examination process may require us or our business partners to narrow the scope of our or our business partners’ current and future patent applications, which may then limit the scope of patent protection that could be obtained. There can be no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent application from being issued as a patent. Moreover, if there are material defects in the form or preparation of our patents or patent applications, such patents or applications may be invalid and unenforceable.

For example, with respect to our Core Product, TSN1611, we are aware of prior art from an independent third party that is also directed to this same mutation. In a worst-case scenario where this third-party prior art forms the basis of a valid, granted patent with claims broad enough to encompass the composition, formulation, or method of use of TSN1611, it could have a material adverse impact on our operations. With respect to development, such an event could force the Company to suspend or terminate ongoing or planned clinical trials, resulting in the loss of substantial research and development investments and significant timeline delays. With respect to commercialization, the third party could seek preliminary or permanent injunctive relief to prohibit

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the manufacturing, marketing, and sale of TSN1611, which could preclude us from bringing the product candidate to market. Furthermore, any attempt to develop or commercialize TSN1611 under such circumstances could subject us to protracted litigation, divert management’s attention, and result in substantial legal fees. If an adverse ruling is reached, we could be ordered to pay significant compensatory damages and royalties for past sales, which would severely compromise our financial condition and business prospects.

Even if patents are issued on these applications, there can be no assurance that a third party will not challenge their validity, enforceability, or scope, which may result in the patent claims being narrowed or invalidated, or that we will obtain sufficient claim scope in those patents to prevent a third party from competing successfully with our drug candidates. We or our business partners may become involved in interference, inter partes review, post-grant review, ex parte reexamination, derivation, opposition or similar other proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology, drug candidates and compete directly with us, or result in our inability to manufacture or commercialize our drug candidates without infringing third-party patent rights. Thus, even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage.

The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in any jurisdictions. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent others from using or commercializing similar or identical technology and drug candidates, or limit the duration of the patent protection of our technology and drug candidates. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours. Our competitors may also be able to circumvent our issued patent by developing similar or alternative technologies or drug candidates in a non-infringing manner.

If our patent terms expire before or soon after our drug candidates are approved, or if competitors successfully challenge our patents, our business may be materially harmed. Lack of protection under the applicable patent linkage and patent term extension laws and regulations could increase the risk of early generic competition.

Patents have a limited duration. Depending on the jurisdiction, various extensions may be available, but the life of a patent, and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years from the date of application for inventions in China and generally 20 years from the earliest date of filing of the first non-provisional patent application to which the patent claims priority in the U.S. Even if patents covering our drug candidates, their manufacture, or use are obtained, once the patent life has expired, we may be open to competition from competitive medications, including biosimilar medications.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates could expire before or shortly after such drug candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. If we are unable to obtain an exclusive license to any third-party co-owners’ interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the collaboration of any such co-owners of our patents in order to enforce such patents against third parties, and such collaboration may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

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Even if we believe that we are eligible for certain patent term extensions, there can be no assurance that the applicable authorities, including the NMPA and the CNIPA in China, and any equivalent regulatory authority in other countries, will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we request. For example, the amendment to the PRC Patent Law which was promulgated in October 2020 introduces patent extensions to patents of new drugs that launched in the PRC, which may enable the patent owner to submit applications for a patent term extension of up to a maximum length of five years, and after the new drug is approved for marketing, the total effective term of the patent shall not exceed 14 years. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements.

Moreover, the length of the extension could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that product will be shortened and our competitors may obtain approval to market competing products sooner than we expect. Also, the scope of our right to exclude during any patent term extension period may be limited or may not cover a competitor’s product or product use. As a result, our revenue from applicable drug candidates, if approved, could be reduced, possibly materially.

Manufacturers of generic or biosimilar drugs may challenge the scope, validity, or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. Upon the expiration of our issued patents or patents that may be issued from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected. On the other hand, if we launch our drug candidates prior to the expiration of patents for any competing products, we may face potential claims for patent infringement.

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

We own a number of trademarks in Chinese Mainland. Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks, and may not be registered or approved in all jurisdictions or categories in which we intend to market our future products or services. As such, we may not be able to protect our rights to these trademarks and trade names or may be forced to stop using them, which could impair our ability to build brand identity with potential partners and customers. Competitors may also adopt similar trade names or trademarks, causing market confusion and weakening our brand recognition, and we may face infringement claims from third parties. In addition, if we license our trademarks or trade names to business partners or collaborators in the future, any misuse by such licensees or failure to comply with the relevant agreements could jeopardize our rights in, or diminish the goodwill associated with, those marks. Any of these events could impair our ability to compete effectively and materially and adversely affect our business.

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

In addition to patents and pending patent applications, we rely on trade secret and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. In the ordinary course of our business, including in connection with manufacturing, commercialization and collaboration arrangements, we may need to share such information with employees, collaborators, researchers, CDMOs, consultants, advisers and other third parties, which increases the risk of unauthorized

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disclosure, misuse or misappropriation. Although we seek to protect this information through non-disclosure, confidentiality and similar agreements, these agreements may be breached, we may not have entered into such agreements with every party that has had access to our proprietary information, and available remedies may be inadequate. In addition, our trade secrets may be discovered through independent development, lawful reverse engineering or other means, and if they are lawfully obtained or independently developed by a competitor, we would have no right to prevent their use. Because trade secret misappropriation claims can be difficult, costly and time-consuming to pursue, and their outcome is inherently uncertain, any failure to protect our trade secrets and proprietary information could impair our ability to maintain a competitive advantage and materially and adversely affect our business, financial condition and results of operations.

Intellectual property and other laws and regulations are subject to change, which could diminish the value of our intellectual property and impair the intellectual property protection of our current and any future drug candidates.

Obtaining and enforcing patents in the biopharmaceutical industry is technologically and legally complex, costly, time consuming and inherently uncertain. Changes in either the patent laws or in the interpretations of patent laws in China, the U.S. and other countries may diminish the value of our intellectual property, increase the uncertainties and costs of patent prosecution and enforcement, and impair our ability to obtain, maintain, enforce or defend patents covering our current and future drug candidates. We also cannot predict the breadth of claims that may be allowed or enforced in our future patents or in third-party patents.

For example, changes in PRC patent law, including rules relating to patent term extensions for new drugs, may affect both our own patents and those of third parties. While such changes may in some cases extend the term of our patent protection, they may also extend the protection of third-party patents and thereby delay or restrict our ability to commercialize product candidates without infringement risk. Any such delay could reduce our competitiveness if technological advances occur or competing products are launched during that period.

In addition, evolving judicial and regulatory interpretations in the U.S. and other jurisdictions may narrow the scope of patent protection or weaken the rights of patent owners, creating further uncertainty regarding the value and enforceability of issued patents. Any future changes in patent laws, regulations or enforcement practices could weaken our ability to obtain new patents or to enforce or defend the patents we own or license, which could materially and adversely affect our business, financial condition and results of operations.

We may from time to time be involved in legal proceedings and disputes to protect or enforce our intellectual property rights, or defend against infringement and other claims alleged by third parties, which could be expensive, time consuming and unsuccessful.

Our drug candidates or the sale or use of our future products may in the future infringe, misappropriate or otherwise violate third-party patents or other intellectual property rights. There may be third-party issued patents with claims related to our drug candidates. Third parties could allege that we are infringing their patent rights or that we have misappropriated their trade secrets, or that we are otherwise violating their intellectual property rights, whether with respect to the manner in which we have conducted our research, or with respect to the use or manufacture of the compounds we have developed or are developing. Litigation relating to patents and other intellectual property rights in the pharmaceutical industries is common, including patent infringement lawsuits. The various markets in which we plan to operate are subject to frequent and extensive litigation regarding patents and other intellectual property rights. Third parties could resort to litigation against us or other parties we have agreed to indemnify, which litigation could be based on either existing intellectual property or intellectual property that arises in the future. Some claimants may have substantially greater resources than we have and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could.

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It is also possible that we failed to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties that cover our drug candidates. Publication of discoveries in the scientific or patent literature often lags behind actual discoveries. Therefore, we cannot be certain that we were the first to invent, or the first to file patent applications on, our drug candidates or for their uses, or that our drug candidates will not infringe patents that are currently issued or that are issued in the future. In the event that a third party has also filed a patent application covering one of our drug candidates or a similar invention, our patent application may be regarded as a competing application and may not be approved in the end. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our products or their use.

If a third party were to assert claims of patent infringement against us, even if we believe such third-party claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, and the holders of any such patents may be able to block our ability to commercialize the applicable product unless we obtained a license under the applicable patents, or until such patents expire or are finally determined to be invalid or unenforceable. Similarly, if any third-party patents were held by a court of competent jurisdiction to cover aspects of our compositions, formulations, or methods of treatment, prevention, or use, the holders of any such patents may be able to block our ability to develop and commercialize the applicable product unless we obtained a license or until such patent expires or is finally determined to be invalid or unenforceable. In addition, defending such claims would cause us to incur substantial expenses and could cause us to pay substantial damages, if we are found to be infringing a third party's patent rights. These damages potentially include increased damages and attorneys' fees if we are found to have infringed such rights willfully.

In order to avoid or settle potential claims with respect to any patent or other intellectual property rights of third parties, we may choose or be required to seek a license from a third party and be required to pay license fees or royalties or both, which could be substantial. These licenses may not be available on acceptable terms, or at all. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a drug candidate, or be forced, by court order or otherwise, to modify or cease some or all aspects of our business operations, if, as a result of actual or threatened patent or other intellectual property claims, we are unable to enter into licenses on acceptable terms. Further, we could be found liable for significant monetary damages as a result of claims of intellectual property infringement.

We may be involved in legal proceedings where third parties may challenge our intellectual property rights in the future. For example, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. On the other hand, competitors or other third parties may infringe or misappropriate our patents and other intellectual property rights. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. In any infringement proceeding, a court may decide that a patent of ours is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may not be an adequate remedy. Enforcing our intellectual property rights against third parties may also cause such third parties to file other counterclaims against us, which could be costly to defend and could require us to pay substantial damages. In addition, if the breadth or strength of protection provided by our patents and other intellectual property rights is threatened, it could dissuade companies from collaborating with us to license, develop, or commercialize our current drug candidates or any future drug candidates. Any loss of intellectual property protection could have a material adverse impact on one or more of our drug candidates and our business.

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An adverse result in any litigation proceedings could put one or more of our intellectual property rights at risk of being invalidated or interpreted narrowly. Even if successful, litigation may result in substantial costs and distraction of our management and other employees. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If the public, securities analysts or investors perceive these results to be negative, or perceive that the presence or continuation of these cases creates a level of uncertainty regarding our ability to increase or sustain products sales, it could have a substantial adverse effect on the price of our Shares. There is no assurance that our drug candidates will not be subject to the same risks.

Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantages.

The protection afforded by our intellectual property rights is uncertain and may not adequately protect our business or enable us to maintain our competitive advantage. For example, third parties may develop drug candidates or technologies that are the same as, similar to or competitive with ours without infringing the patents we own or exclusively license, including by conducting research and development activities in jurisdictions where we do not have patent protection. In addition, we may not be able to develop additional patentable technologies.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We have incurred significant net losses since inception. We expect to continue to incur net losses and may fail to achieve or maintain profitability in the future.

Investment in the development of pharmaceutical products is uncertain as it entails substantial upfront expenditures and significant risks that a drug candidate may fail to demonstrate efficacy and safety to gain regulatory or marketing approvals or become commercially viable. We have not generated any revenue from commercial product sales to date and have incurred, and expect to continue to incur, significant research and development expenses and other expenses. As a result, we incurred net losses of RMB70.5 million, RMB183.7 million, RMB77.6 million and RMB116.6 million for the years ended December 31, 2024, 2025, and for the six months ended June 30, 2025 and 2026, respectively.

Substantially all of our net losses to date have resulted from costs incurred in connection with our research and development activities. For the years ended December 31, 2024, 2025, and for the six months ended June 30, 2025 and 2026, our research and development expenses were RMB72.8 million, RMB115.2 million, RMB43.2 million and RMB95.8 million, respectively. Our ability to generate revenue and achieve profitability depends significantly on our ability to advance drug candidates into later stages of clinical development, obtain regulatory approvals and successfully commercialize approved products, each of which may not occur in a timely manner or at all. We expect our losses to continue in the foreseeable future and they may increase as we continue our research and development activities, seek to discover, develop or in-license additional drug candidates, expand our pipeline, hire additional personnel, develop and protect our intellectual property portfolio, pursue regulatory approvals, build commercialization capabilities and incur additional costs associated with operating as a [REDACTED] company following the [REDACTED].

The size of our future net losses will depend, among other factors, on our ability to generate revenues, the rate of the future growth of our expenses, and the timing and amount of milestone payments and other payments that we receive from or pay to third parties. If any of our drug candidates fails during clinical trials or does not gain regulatory approval, or, any of our current and future approved drugs fails to achieve market acceptance, our business may not become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods thereafter. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our business, financial condition and results of operation.

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We incurred net liabilities, net current liabilities and net operating cash outflows during the Track Record Period, which may continue in the foreseeable future and expose us to liquidity risk.

As of December 31, 2024, 2025, and the six months ended June 30, 2026, we recorded net liabilities of RMB344.0 million, RMB519.4 million, and RMB611.7 million, respectively, and net current liabilities of RMB371.3 million, RMB550.2 million and RMB645.3 million, respectively, which may continue in the foreseeable future and expose us to liquidity risk. We recorded net cash used in operating activities of RMB77.4 million, RMB127.5 million and RMB80.1 million during the same periods, respectively, primarily for our research and development activities. We may experience net cash outflows from our operating activities from time to time. Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect.

If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We are a clinical-stage biopharmaceutical company with a limited operating history, which may make it difficult to predict our future performance.

We are a clinical stage biopharmaceutical company with a limited operating history. Our operations to date have focused on establishing our intellectual property portfolio, conducting drug discovery, preclinical studies and clinical trials of our drug candidates, organizing and staffing our operations, business planning and raising capital. We have not yet demonstrated an ability to successfully obtain marketing approvals for, or commercialize, our drug candidates. To date, we have no products approved for commercial sale and have not generated any revenue from product sales.

Our limited operating history, particularly in light of the rapidly evolving drug research and development industry in which we operate and the changing regulatory and market environments we encounter, may make it difficult to evaluate our prospects for future performance. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting commercial activities. If we do not address these risks and difficulties successfully, our business will suffer.

We may need to obtain substantial additional financing to fund our operations and expansion, and if we are unable to obtain sufficient financing, we may be unable to complete the research, development and commercialization of our drug candidates.

During the Track Record Period, we funded our operations primarily through the equity financing and the revenue from grants of licenses to intellectual property rights and the research and development services. We expect our expenses to increase in connection with our ongoing development activities, particularly as we advance the clinical development of our clinical-stage drug candidates, continue the research and development of our preclinical stage drug candidates and initiate additional clinical trials of, and seek regulatory approval for, these and other future drug candidates. In addition, if we obtain regulatory approvals for any of our drug candidates in the future, we expect to incur significant commercialization expenses relating to product manufacturing, marketing, sales and distribution and post-approval commitments to continue monitoring the efficacy and safety data of our future products on the market. We may also incur expenses as we create additional infrastructure to support our operations as a [REDACTED]

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company. Accordingly, we may need to secure substantial additional funding in connection with our continuing operations through public or private equity offerings, debt financing, collaborations or licensing arrangements or other sources.

We expect to fund our future operations primarily with existing cash and cash equivalents and [REDACTED] from the [REDACTED]. Upon the successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with income generated from sales of our commercialized drug products. Changes in our ability to fund our operations may affect our cash flow and results of operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, limit, reduce or terminate our research and development programs or any future commercialization efforts.

Our results of operations, financial condition, and prospects may be adversely affected by fair value changes and credit risk associated with our financial assets at fair value through profit or loss (“FVTPL”).

As of December 31, 2024, 2025 and June 30, 2026, we had financial assets at FVTPL of RMB27.0 million, RMB48.0 million and RMB38.0 million, respectively, which represented structured deposits that we purchased from creditworthy commercial banks in Chinese Mainland. For the years ended December 31, 2024, 2025, and for the six months ended June 30, 2025 and 2026, we recorded fair value gains on financial assets at FVTPL of RMB0.9 million, RMB0.8 million, RMB0.4 million and RMB0.2 million, respectively. After the [REDACTED], we may continue to purchase low-risk wealth management products with a short maturity period based on our operational needs. We therefore face exposure to fair value change of financial assets at FVTPL.

We may not recognize comparable fair value gains in the future and we may on the contrary recognize fair value losses, which would affect our result of operations for future periods. In addition, the valuation of financial assets at FVTPL is subject to uncertainties due to the use of unobservable inputs. Such estimated fair values involve the exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs, which, by their nature, are subjective and uncertain. As such, the valuation of financial assets at FVTPL has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in fluctuations in profit or loss from year to year.

We benefit from certain government grants, the expiration of or changes to which could adversely affect our profitability.

We recorded government grants of RMB0.8 million, RMB0.2 million, RMB0.2 million and RMB1.1 million for the years ended December 31, 2024, 2025, and for the six months ended June 30, 2025 and 2026, respectively. These government grants primarily represent government subsidies from PRC local government authorities for the purpose of supporting our operating and research and development activities. These government grants are provided to us at the discretion of the relevant government authorities, who could determine from time to time to eliminate or reduce these financial incentives, and may therefore vary from year to year going forward. For more details, see “Financial Information — Description of Selected Components of the Consolidated Statements of Profit or Loss and Other Comprehensive Income — Other Income and Gains.”

Since our receipt of the government grants and eligibility for the preferential income tax treatment are subject to the government’s discretion and approval process, our net income in a particular period may be higher or lower relative to other periods partly due to the potential changes in the government grants we actually receive or preferential income tax treatment we enjoy, in addition to any business or operational factors that we may otherwise experience. There is no assurance that we will continue to receive such government grants at a similar level or at all, or be eligible to enjoy the preferential income tax treatment in the future. The discontinuation of preferential tax treatments, government grants and other financial incentives currently available to us could have an adverse effect on our financial condition, results of operations, cash flows and prospects.

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Equity-settled share-based payments may have a material and adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

We have adopted share incentive plans for the purpose of granting equity-settled share-based compensation awards to employees, officers, or directors to incentivize their performance and align their interests with ours. In 2024, 2025, and the six months ended June 30, 2026, we incurred RMB3.9 million, RMB8.3 million and RMB24.3 million of share-based payments relating to awards granted under our share incentive plans, respectively. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to grant share-based compensation awards to employees in the future. As a result, our expenses associated with share-based payments may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules, lock-up period, purchase price or other key terms applicable to the grants under our currently effective employee incentive plans from time to time, and we may experience substantial change in our share-based payments in the reporting periods following this [REDACTED].

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

We are exposed to foreign exchange risk, primarily due to fluctuations in the Renminbi against the U.S. dollar and Hong Kong dollar. As of December 31, 2024, 2025, and the six months ended June 30, 2026, a reasonably possible 5% weakening or strengthening of RMB against USD, with all other variables held constant, would impact our loss before tax by approximately RMB2.5 million, RMB6.6 million and RMB5.4 million, respectively. For details, see Note 32 to the Accountants’ Report set out in Appendix I to this document. The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar, at times significantly and unpredictably. In 2024, we recorded net foreign exchange gains of RMB3.3 million, while in 2025, we recorded net foreign exchange losses of RMB2.9 million. For the six months ended June 30, 2026, we recorded net foreign exchange losses of RMB5.0 million. We may incur additional foreign exchange losses in the future.

Exchange rates are affected by a range of political and economic factors, as well as foreign exchange policies, and may fluctuate significantly and unpredictably. In addition, the [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. Any appreciation of Renminbi against Hong Kong dollar, U.S. dollar or other foreign currencies may reduce the value of such [REDACTED] when converted into Renminbi, while any depreciation of Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency terms.

Our ability to manage foreign exchange risk is also limited. Hedging instruments may not be available on reasonable terms, and we are currently required to complete filings with, and in some cases obtain approvals from, SAFE or its local counterparts before converting significant amounts of foreign currency into Renminbi. As a result, exchange rate fluctuations could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

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

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors, including extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. In addition, concerns over the recent conflicts in the Middle East, Russian-Ukraine conflicts, and unrest and terrorist threats in other territories, among others, add uncertainties to the financial markets worldwide. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. See “— Risks Relating to Our Operations — We may be exposed to risks of conducting our business and operations in international markets.”

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RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares prior to the [REDACTED]. An active [REDACTED] market for our Shares may not develop or be sustained and the [REDACTED] and [REDACTED] of our Shares may be volatile.

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

The [REDACTED] and [REDACTED] of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the U.S. and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the [REDACTED] of and [REDACTED] for our Shares. A number of China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards China-based companies listed in Hong Kong and consequently may impact the [REDACTED] of our Shares. These broad market and industry factors may significantly affect the [REDACTED] and [REDACTED] of our Shares, regardless of our actual operating performance, and may result in losses on your [REDACTED] in our Shares.

In addition to market and industry factors, the [REDACTED] and [REDACTED] for our Shares maybe highly volatile for specific business reasons. In particular, factors such as variations in our revenue, earnings, and cash flow could cause the [REDACTED] of our Shares to change substantially. Any of these factors may result in large and sudden change in the [REDACTED] and [REDACTED] of our Shares.

Our Single Largest Group of Shareholders has substantial control over our Company and their interests may not be aligned with the interests of the other Shareholders.

Our Single Largest Group of Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding acquisitions, mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of directors and other significant corporate actions. Immediately following the completion of the Share Subdivision and the [REDACTED], our Single Largest Group of Shareholders will hold (including direct and indirect shareholdings) approximately [REDACTED]% of the issued share capital in our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our Shares. These events may occur even if they are opposed by other Shareholders. In addition, the interests of our Single Largest Group of Shareholders may differ from the interests of other Shareholders. Our Single Largest Group of Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of other Shareholders.

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The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and substantial Shareholders, could adversely affect the [REDACTED] of our Shares.

Future sales of a substantial number of our Shares, especially by our directors, executive officers and existing Shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our existing Shareholders are subject to certain lock-up periods. See “[REDACTED].” They may dispose of our Shares they own now or in the future. The effect of such disposal, if any, on the [REDACTED] of the Shares cannot be predicted.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the [REDACTED] of Shares is higher than the net tangible book value per share of our Shares immediately prior to the [REDACTED], [REDACTED] of our Shares in the [REDACTED] will experience an immediate dilution. If we issue additional Shares in the future, [REDACTED] of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

We may not declare and distribute any amount of dividends in the future.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an [REDACTED] in our Shares as a source for any future dividend income.

Our Board has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may pay dividends out of profits or share premium, provided always that in no circumstances may a dividend be paid out of share premium if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your [REDACTED] in our Shares and you may even lose your entire [REDACTED] in our Shares.

Facts, statistics and forecasts in this document relating to the healthcare market may not be fully reliable.

This document contains information and statistics relating to the healthcare market which were obtained from government agencies. The information and statistics from official government sources have not been independently verified by us, the Sole Sponsor, the [REDACTED], any of our or their respective directors, officers or representatives or any other party involved in the [REDACTED] and no representation is given as to its accuracy. Collection methods of information from official government sources may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate. You should therefore not place undue reliance on such information. In addition, we

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cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on information, statistics and data in this document derived from official government sources.

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

This document contains certain future plans and forward-looking statements about us that are made based on the information currently available to our management. The forward-looking information contained in this document is subject to certain risk and uncertainties. Whether we implement those plans, or whether we can achieve the objectives described in this document, will depend on various factors including the market conditions, our business prospects, actions by our competitors and the global financial situations.

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].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.