SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "Risk Factors" of this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. ***In particular, we are a biotech company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules.*** *Our Core Products are products designated for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants and are in the early stages of clinical development. We may continue to incur substantial costs and expenses in relation to research and development activities for the Core Products, and we may not be able to successfully develop or market both of our Core Products. 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.*

OVERVIEW

Founded in 2016, we are a clinical-stage ophthalmology-focused biotech company. Leveraging our technology platforms, including small-molecule drug discovery, advanced formulation development and translational research in ophthalmic diseases, we are building a product pipeline covering ocular indications affecting the surface and back of the eye. We have two Core Products, VVN461(HD) and VVN001. VVN461(HD), the high-dosage formulation of VVN461 eye drop, is a novel selective dual-target inhibitor of Janus kinase 1 (JAK1) and tyrosine kinase 2 (TYK2), with non-infectious anterior uveitis (NIAU) as its lead indication. We have commenced a Phase III clinical trial of VVN461(HD) in NIAU patients in China. VVN001, a second-generation antagonist of lymphocyte function-associated antigen-1 (LFA-1), is an eye drop for the treatment of moderate-to-severe dry eye disease (DED). We have commenced a Phase III clinical trial of VVN001 in China. As of the Latest Practicable Date, we had three other clinical-stage drug candidates in addition to our Core Products.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR CORE PRODUCTS AND OTHER PIPELINE PRODUCTS SUCCESSFULLY.

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

The following chart summarizes our product pipeline as of the Latest Practicable Date. We hold full development and commercialization rights to our product pipeline with respect to the product candidates' formulations and disease areas, as illustrated below.

Program	Mechanism of Action	Formulation	Indication	Patient Population	Commercial Rights	Planned Commercialization Jurisdiction	Regulatory Authority	Preclinical	IND Approval	Clinical			NDA Approval	Expected Near-Term Milestone
										Phase I	Phase II	Phase III		
VVN461(HD)★	JAK1/TYK2	Eye drop	NIAU	Adults	Global[1]	China	NMPA							Complete Phase III in 1H 2027
						U.S.	FDA							IND amendment in Q4 2026[2]
			SS-DED	Adults		China	NMPA							Commence Phase II in Q4 2026[3]
			Scleritis			U.S.	FDA							Commence IIT in Q4 2026[4]
			oGVHD	**Adults**		U.S.	FDA							Commence IIT in Q4 2026[4]
			Pediatric uveitis	Children		To be determined	To be determined							Timing of clinical trial to be determined[5]
			VKC	Children and teenager		China	NMPA							IND application in Q4 2026[6]
VVN001★	LFA-1	Eye drop	Moderate-to-severe DED	Adults	Global	China	NMPA							Complete Phase III in 1H 2027
						U.S.	FDA[7]							Timing of Phase III to be determined
VVN461(LD)	JAK1/TYK2	Eye drop	Postoperative ocular inflammation	Adults	Global[1]	U.S.	FDA[8]							Timing of Phase III to be determined
VVN432	JAK1/TYK2	Nasal spray	CRS	Adults	Global[1]	China	NMPA							Complete Phase I in Q4 2026
VVN1901	rhNGF	Eye drop	Stage 2 to Stage 3 NK	Adults	Global	China	NMPA							Complete Phase II in 2028

★ Core Product

Milestones achieved

Clinical trial phases marked as ▨ are not required by the NMPA or FDA, as applicable

CRS: chronic rhinosinusitis

DED: dry eye disease

NIAU: non-infectious anterior uveitis

NK: neurotrophic keratitis

oGVHD: ocular graft-versus-host disease

SS-DED: Sjögren's syndrome–related DED

VKC: vernal keratoconjunctivitis

JAK1: Janus kinase 1

LFA-1: lymphocyte function-associated antigen-1

rhNGF: recombinant human nerve growth factor

TYK2: tyrosine kinase 2

Notes:

(1) In February 2021, we entered into an asset transfer and license agreement (as supplemented on February 10, 2021 and January 29, 2024 and amended and restated on February 6, 2026) with E-nitiate. Pursuant to such agreement, we transferred, among others, intellectual property and other rights in the compound underlying VVN461 and VVN432 to E-nitiate and E-nitiate granted us, among others, an exclusive, perpetual and irrevocable license to develop, manufacture and commercialize such compound (other than with respect to oral dosage formulation) in the ophthalmology (effective on and from February 10, 2021) and rhinology (effective on and from January 29, 2024) fields globally. See "Business—Our Collaboration and License Agreements—Arrangements with E-nitiate."

(2) We had a Type C meeting with the FDA in November 2025, during which the FDA confirmed our plan to directly initiate a Phase III clinical trial (*i.e.*, no additional Phase I and Phase II clinical trials needed) of VVN461(HD) in the United States for the treatment of NIAU. We plan to submit an IND amendment in the fourth quarter of 2026 and directly commence such Phase III clinical trial in the first half of 2027. See "Business—Our Product Candidates—Our Core Products—VVN461(HD)—Non-Infectious Anterior Uveitis (NIAU)—Material Communications and Next Steps" and "Regulatory Overview—Overview of Laws and Regulations in the United States—Laws and Regulations in Relation to New Drug—U.S. Government Regulation of Drug and Biological Products."

(3) We obtained an IND approval from the NMPA to directly initiate a Phase II clinical trial (*i.e.,* no additional Phase I clinical trial needed) of VVN461 for the treatment of SS-DED by leveraging the Phase I clinical trial results of VVN461 in China. See "Business—Our Product Candidates—Our Core Products—VVN461(HD)—Sjögren's Syndrome-Related DED (SS-DED)—Material Communications and Next Steps" and "Regulatory Overview—Overview of Laws and Regulations in the PRC—Laws and Regulations in Relation to New Drug—Conduct of Clinical Trial."

(4) We plan to collaborate with academic research institutions in the United States to commence investigator-initiated trials (IIT) of VVN461 for the treatment of scleritis and oGVHD in the fourth quarter of 2026. We plan to submit IND amendments to the FDA for directly initiating registration-enabling pivotal clinical trials of VVN461(HD) in the United States for these indications by leveraging the IIT results.

(5) We intend to develop VVN461(HD) for the treatment of pediatric uveitis. As of the Latest Practicable Date, we were developing the clinical development plan for such indication.

(6) We intend to develop VVN461(HD) for the treatment of VKC. As of the Latest Practicable Date, we were developing the clinical development plan for such indication.

(7) Based on communications with the FDA, we directly commenced a Phase II clinical trial of VVN001 in the United States by leveraging our preclinical study results, including satisfactory safety data. See "Business—Our Product Candidates—Our Core Products—VVN001—Material Communications and Next Steps" and "Regulatory Overview—Overview of Laws and Regulations in the United States—Laws and Regulations in Relation to New Drug—U.S. Government Regulation of Drug and Biological Products." We completed such Phase II clinical trial in April 2022.

(8) Based on communications with the FDA, we directly commenced a Phase II clinical trial of VVN461 for the treatment of postoperative ocular inflammation in the United States by leveraging the Phase I clinical trial results of VVN461 in China. See "Business—Our Product Candidates—Our Other Product Candidates—VVN461(LD)—Material Communications and Next Steps" and "Regulatory Overview—Overview of Laws and Regulations in the United States—Laws and Regulations in Relation to New Drug—U.S. Government Regulation of Drug and Biological Products." We completed such Phase II clinical trial in October 2024.

Our Core Products

VVN461(HD)

VVN461 is a JAK1/TYK2 inhibitor designed to block key inflammatory signaling pathways. VVN461(HD) is potentially the world's first Janus kinase (JAK) inhibitor eye drop. VVN461 demonstrated, in our *in vitro* preclinical studies, potent inhibition of both JAK1 and TYK2 at kinase level and cellular level. With improved solubility utilizing our flash transmucosal delivery system, more drug substance of VVN461 can be delivered within the small volume that can be retained on the ocular surface, thereby increasing the amount of active drug available for corneal penetration and therapeutic effect. In our head-to-head Phase II clinical trial of VVN461 in NIAU patients in China, VVN461(HD) demonstrated anti-inflammatory efficacy comparable to that of corticosteroids while potentially avoiding the typical adverse effects associated with corticosteroids.

We obtained an IND approval from the NMPA for VVN461 for the treatment of NIAU in January 2023. We commenced a Phase I clinical trial of VVN461 in healthy subjects in China in March 2023 and completed such trial in December 2023. We commenced a Phase II clinical trial of VVN461 in patients with NIAU in China in November 2023 and completed such trial in February 2025. Based on efficacy results in the Phase II clinical trial, our VVN461(HD) for the treatment of NIAU received the breakthrough therapy designation (BTD) from the NMPA. We commenced a Phase III clinical trial in patients with NIAU in China in November 2025 and expect to complete such trial in the first half of 2027. As JAK1/TYK2 inhibitors have the potential to address a broad spectrum of ocular surface inflammatory conditions, in addition to NIAU as VVN461(HD)'s lead indication, we are also developing VVN461(HD) for Sjögren's syndrome–related DED (SS-DED), scleritis, ocular graft versus host disease (oGVHD), pediatric uveitis and vernal keratoconjunctivitis (VKC).

In February 2021, we entered into an asset transfer and license agreements with E-nitiate. Pursuant to such agreements, we transferred, among others, intellectual property and other rights in the compound underlying VVN461 to E-nitiate and E-nitiate granted us, among others, an exclusive, perpetual and irrevocable license to develop, manufacture and commercialize VVN461 eye drop in the ophthalmology and rhinology fields globally. As a result of such arrangement, we hold exclusive global rights to develop, manufacture and commercialize VVN461(HD) eye drop in the ophthalmology fields. Hence, we have full, irrevocable and unencumbered control over the R&D activities, future development plan and commercialization activities of VVN461(HD) eye drop. See "Business—Our Collaboration and License Agreements—Arrangements with E-nitiate."

Despite our arrangement with E-nitiate, we independently developed VVN461(HD) from discovery and preclinical studies to Phases I, II and III clinical trials. We did not rely on any material R&D conducted by E-nitiate and did not employ any personnel from E-nitiate for the development of VVN461(HD). We conducted preclinical studies of VVN461 before the transfer and licensing arrangements in February 2021 and completed preclinical studies and Phase I and Phase II clinical trials of VVN461 subsequent to the arrangements.

Market Opportunity and Competitive Landscape

According to Frost & Sullivan, there were 2.9 million NIAU patients in China in 2025. The NIAU drug market is estimated to increase from US$204.7 million in 2025 to US$1,053.6 million in 2035, at a CAGR of 17.8%.

As of the Latest Practicable Date, no drugs had been approved for NIAU treatment in China. As of the same date, two drug candidates were in the clinical stage in China, including our VVN461 and another innovative drug candidate. See "Industry Overview—Ocular Inflammation—Non-Infectious Anterior Uveitis" and "Business—Our Product Candidates—Our Core Products—VVN461(HD)—Non-infectious Anterior Uveitis (NIAU)" for details.

VVN001

VVN001 is a LFA-1 antagonist designed to treat moderate-to-severe DED. VVN001 demonstrated efficacy comparable to first-generation LFA-1 antagonist in our *in vitro* preclinical studies, while having improved efficacy and safety compared to the current standard of care eye-drop treatment of moderate-to-severe DED, with no stinging sensation commonly associated with the current standard of care, as demonstrated in our Phase II clinical trial of VVN001 in the United States. In addition, in the same clinical trial, VVN001 exhibited ocular surface irritation levels similar to vehicle and significantly lower than those observed with lifitegrast, the first-generation LFA-1 antagonist, improving patient experience and thus increased patient adherence.

We obtained an IND approval of VVN001 from the FDA in October 2020 to directly commence a Phase II clinical trial of VVN001 in the United States by leveraging our preclinical study results, including satisfactory safety data. We commenced a Phase II clinical trial in the United States in December 2020 and completed such trial in April 2022. Meanwhile, we obtained an IND approval from the NMPA in March 2021 and commenced a Phase I clinical trial of VVN001 in healthy subjects in China in August 2021. We completed such trial in December 2021. We then commenced a Phase II clinical trial of VVN001 in November 2021 in China in patients with moderate-to-severe DED and completed such trial in December 2022. Following completion of the Phase II clinical trial, we conducted additional studies for process improvement, such as optimizing the API form and manufacturing process, such as impurity and scale-up controls, to enhance the overall quality profile of VVN001, so as to enhance its efficacy and safety. We commenced a Phase III clinical trial in patients with moderate-to-severe DED in China in June 2024 and expect to complete such trial in the first half of 2027.

Market Opportunity and Competitive Landscape

According to Frost & Sullivan, the global moderate-to-severe DED patient population is estimated to increase from 349.5 million in 2025 to 425.3 million in 2035 while the moderate-to-severe DED patient population in China is estimated to increase from 113.7 million in 2025 to 130.1 million in 2035. Accordingly to Frost & Sullivan, the global drug market for moderate-to-severe DED is estimated to grow from US$1,404.2 million in 2025 to US$2,239.7 million in 2035, at a CAGR of 4.8%, and the drug market for moderate-to-severe DED in China is estimated to increase from US$223.9 million in 2025 to US$903.6 million in 2035, at a CAGR of 15.0%.

As of the Latest Practicable Date, there were 10 drugs approved for the treatment of DED, including 5 innovative drugs, and 65 drug candidates in the clinical stage for the treatment of DED, including our VVN001 and 34 other innovative drug candidates, outside China. As of the Latest Practicable Date, there were 21 drugs approved for the treatment of DED, including 5 innovative drugs, and 37 drug candidates in the clinical stage for the treatment of DED, including our VVN001 and 12 other innovative drug candidates, in China. See "Industry Overview—Dry Eye Disease" and "Business—Our Product Candidates—Our Core Products—VVN001" for details.

COMPETITION

The ophthalmic pharmaceutical market is highly competitive and is characterized by extensive research efforts. We believe our integrated technology platforms, comprehensive and differentiated product pipeline, product candidate with first-in-class potential, globalized research and development and ecosystem collaboration provide us with strong competitive advantages. We face potential competition from many different entities, including pharmaceutical and biopharmaceutical companies, academic institutions and public and private research institutions. Our Core Products and other product candidates face competition from approved and clinical-stage product candidates that focus on similar indications and target similar patient population, and these competing products may have strengths and advantages when compared to our product candidates. See "Industry Overview" and "Business—Competition."

OUR STRENGTHS

We believe our strengths are:

- Innovative ophthalmic therapies supported by integrated technology platforms spanning entire lifecycle of drug development;

- Comprehensive and differentiated product pipeline;

- Potential first-in-class JAK inhibitor eye drop for ophthalmic anti-inflammatory therapy to reshape traditional treatment paradigms;
- Globalized research and development and ecosystem collaboration; and
- Expert management team supported by scientific advisory board and reputable investors.

OUR STRATEGIES

We plan to pursue the following strategies:

- Build an innovation-driven "VivaVision" brand with global reach;
- Accelerate the development of our competitive, differentiated innovative Core Products;
- Continue to enhance our R&D capabilities and expand our product pipeline;
- Establish a commercial-ready, efficient operations and manufacturing system; and
- Pursue international expansion and organic collaborations opportunities to maximize our products' global commercial value.

RESEARCH AND DEVELOPMENT

We believe research and development is critical to our ability to grow into a biopharmaceutical company and remain competitive in the industry. We conduct our R&D activities through an in-house team as well as engagement of external contract research organizations (CROs), as is in line with industry practice. In the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, we engaged 36, 36 and 16 CROs, respectively, and recorded CRO expenses of RMB35.7 million, RMB44.7 million and RMB26.6 million, respectively. We have established three R&D platforms to support our drug discovery and development, namely our ophthalmic small-molecule drug discovery platform, advanced formulation development platform and translational research platform for innovative ophthalmic drug. We incurred research and development expenses of RMB128.3 million, RMB94.4 million and RMB56.9 million in the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively, representing 89.4%, 82.2% and 72.4% of our total operating expenses in the respective periods. Our research and development expenses decreased from 2024 to 2025 primarily because we completed the Phase II clinical trial of VVN461 in the United States and the Phase I clinical trial of VVN1901 in late 2024 and the Phase II clinical trial of VVN461 in China in early 2025 while we only began the Phase III clinical trial of VVN461(HD) and the Phase II clinical trial of VVN1901 in the second half of 2025. In the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, we incurred research and development expenses of RMB15.2 million, RMB16.3 million and RMB16.5 million, respectively, for the development of VVN461(HD), primarily for the treatment of NIAU, accounting for 10.6%, 14.2% and 21.0% of our total operating expenses in the respective periods. In the same periods, we incurred research and development expenses of RMB34.2 million, RMB32.2 million and RMB16.0 million, respectively, for the development of VVN001, accounting for 23.8%, 28.0% and 20.4% of our total operating expenses in the respective periods.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 6 patents in China and 12 patents overseas. As of the same date, we had 14 patent applications in China and 36 patent applications overseas. In particular, with respect to our Core Products, we had 4 patents in China and 11 patents overseas, as well as 2 patent applications in China and 31 patent applications overseas as of the Latest Practicable Date. Except for a patent of compound underlying VVN461 and VVN432, which is licensed by E-nitiate to us, all patents and patent applications of our Core Products as of the Latest

Practicable Date were self-developed and self-owned. See "Business—Our Collaboration and License Agreements—Arrangements with E-nitiate" for details. As advised by our PRC IP Counsel and U.S. IP Counsel, the patents and patent applications owned or controlled by us provide patent protection covering the key technical features of our Core Products, and are closely aligned with the technical characteristics and mechanisms of action of such Core Products. Our Directors are of the view that we have maintained sufficient intellectual property protection for our Core Products and product candidates, as well as their associated technologies. As of the Latest Practicable Date, we had registered two trademarks and one domain name in China. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material proceeding in respect of, and we had not received notice of any material claim of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent that may have a material adverse impact on us.

MANUFACTURING AND COMMERCIALIZATION

During the Track Record Period, we engaged contract development and manufacturing organizations (CDMOs) to manufacture product candidates for our preclinical and clinical supplies. We intend to continue collaborating with contract manufacturing organizations for the future commercial manufacturing of our Core Products following regulatory approval. In addition, we may also consider establishing in-house manufacturing capabilities in the future.

We are actively formulating our commercialization plans in anticipation of multiple potential product launches over the next few years. In developing these strategies, we will consider key factors such as pricing, dose regimen, patient economic, social and demographic characteristics, market access and reimbursement policies. As of the Latest Practicable Date, we did not have any approved drug products and therefore had not formulated any specific pricing strategy for our product candidates. Our primary commercialization approach will center on cooperation with established pharmaceutical companies, supported by a specialized in-house team with strong medical and scientific background.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of (i) CROs for preclinical and clinical research, (ii) CDMOs for manufacturing of product candidates used in our research, (iii) site management organizations (SMOs) for clinical trials and (iv) suppliers of laboratory consumables, machinery and equipment. In the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, our purchases from our five largest suppliers were RMB54.8 million, RMB40.0 million and RMB29.2 million, respectively, accounting for approximately 72.7%, 57.4% and 76.6%, respectively, of our total purchases for the respective periods. In the same periods, purchases from our largest supplier were RMB17.9 million, RMB20.4 million and RMB15.7 million, respectively, accounting for approximately 23.7%, 29.3% and 41.1%, respectively, of our total purchases for the respective periods.

RISK FACTORS

There are certain risks and uncertainties involved in [**REDACTED**] in our H Shares, some of which are beyond our control. These risks are set out in "Risk Factors" in this document. Some of the major risks we face include:

- We depend substantially on the success of our product candidates, all of which are undergoing preclinical or clinical development. If we are unable to successfully complete clinical development of our product candidates, or experience significant delays in doing so, our business prospects will be significantly impacted.

- Our product candidates will be subject to intense competition after commercialization and may fail to compete effectively against competitors.

- Clinical development of our product candidates involves a lengthy and expensive process with uncertain outcomes, and the results of preclinical studies and clinical trials may not be indicative of the final results.
- We incurred net losses historically and may continue to experience net losses in the foreseeable future.
- We have no track record in commercializing our product candidates. Our commercialization plan may not materialize as we expected.
- If we are unable to obtain and maintain patent protection for our product candidates, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and the commercial prospects of our product candidates would be materially and adversely affected.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary historical financial information set forth below is derived from, and should be read in conjunction with, our consolidated financial information, together with the accompanying notes, set forth in "Appendix I—Accountants' Report" to this document, as well as the information set forth in "Financial Information" of this document. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

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

	For the year ended December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Other income and gains	8,572	7,047	1,806	1,684
Administrative expenses	(15,183)	(20,381)	(6,623)	(21,663)
Research and development expenses	(128,261)	(94,399)	(47,850)	(56,925)
Other expenses	(337)	(305)	(69)	(540)
Finance costs	(66,175)	(81,444)	(37,458)	(48,389)
Share of profits and losses of an associate	(151)	(301)	(147)	(306)
Loss before income tax	**(201,535)**	**(189,783)**	**(90,341)**	**(126,139)**
Income tax expense	–	–	–	–
Loss for the year	**(201,535)**	**(189,783)**	**(90,341)**	**(126,139)**

Our net losses decreased from RMB201.5 million in 2024 to RMB189.8 million in 2025, primarily due to a decrease in our research and development expenses mainly as we completed a Phase II clinical trial of VVN461 in the United States in October 2024 and completed a Phase I clinical trial of VVN1901 in September 2024.

Our net losses increased from RMB90.3 million in the six months ended June 30, 2025 to RMB126.1 million in the six months ended June 30, 2026, primarily due to (i) an increase in our administrative expenses, which was primarily attributable to [**REDACTED**] incurred in connection with our proposed listing, and (ii) an increase in our research and development expenses, primarily attributable to an increase in CRO and CDMO costs mainly as we commenced the Phase III clinical trial of VVN461 (HD) and the Phase I clinical trial of VVN432 towards the end of 2025, and the Phase II clinical trial of VVN1901 in the second half of 2025.

Summary of Consolidated Statements of Financial Position

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Total non-current assets	25,862	25,375	28,295
Total current assets	70,914	148,351	97,663
Total current liabilities	43,238	53,849	78,657
Net current assets	27,676	94,502	19,006
Total assets less current liabilities	53,538	119,877	47,301
Total non-current liabilities	584,904	840,090	889,322
Net liabilities	(531,366)	(720,213)	(842,021)

Our net current assets increased from RMB27.7 million as of December 31, 2024 to RMB94.5 million as of December 31, 2025, primarily due to (i) an increase of RMB50.1 million in financial assets at FVTPL mainly as we purchased new wealth management products in 2025 with cash received from our Series D2+ financing, (ii) an increase of RMB30.1 million in debt investments at FVTOCI, partially offset by an increase of RMB10.7 million in trade and other payables primarily due to accrued [**REDACTED**] and a borrowing from a third party. We recorded net current assets of RMB19.0 million as of June 30, 2026, primarily due to (i) a decrease of RMB50.1 million in financial assets at fair value through profit or loss as we redeemed our wealth management products during the period, and (ii) an increase of RMB25.0 million in interest-bearing bank borrowings.

We recorded net liabilities of RMB531.4 million, RMB720.2 million and RMB842.0 million as of December 31, 2024 and 2025 and June 30, 2026, respectively, primarily as we recorded redemption liabilities on owners' capital/equity shares in relation to our Pre-[**REDACTED**] Investments. Our net liabilities increased from December 31, 2024 to December 31, 2025, primarily attributable to (i) our total comprehensive loss for the year of RMB190.1 million and (ii) recognition of redemption liabilities on owners' capital/equity shares of RMB175.3 million in 2025, partially offset by capital injections of RMB176.9 million. The redemption rights will be derecognized and credited to equity upon Listing and we expect our net liabilities position will turn into net assets.

Summary of Consolidated Statements of Cash Flows

	For the year ended December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Net cash used in operating activities	(121,049)	(96,343)	(37,331)	(74,941)
Net cash generated from/(used in) investing activities	64,189	(79,880)	666	58,127
Net cash generated from financing activities	12,392	169,211	73,544	26,609
Net (decrease)/increase in cash and cash equivalents	(44,468)	(7,012)	36,879	9,795
Cash and cash equivalents at beginning of the year	94,798	50,783	50,783	43,577
Effect of foreign exchange rate changes, net	453	(194)	(84)	(321)
Cash and cash equivalents at end of the year	**50,783**	**43,577**	**87,578**	**53,051**

We had net cash outflows from our operating activities during the Track Record Period. Our uses of cash primarily relate to the research and development of our product candidates and the purchase of equipment and machinery. During the Track Record Period, we primarily funded our working capital requirement through equity financing, bank borrowings and cash generated from our operations. Going forward, we believe our liquidity requirements will be satisfied by funds from a combination of cash from operations, cash and cash equivalents, borrowings and [**REDACTED**] from the [**REDACTED**].

Taking into account the financial resources available to us, including cash from operations, cash and cash equivalents, borrowings and the estimated [**REDACTED**] from the [**REDACTED**], our Directors are of the opinion that we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs and research and development expenses for at least the next 12 months from the date of this document.

Our cash burn rate refers to our average monthly (i) net cash used in operating activities, which includes research and development expenses and administrative expenses; and (ii) capital expenditures. Taking into account our cash and cash equivalents, restricted bank balances and debt instrument at FVTOCI as of July 31, 2026, and assuming average monthly net cash used in operating activities going forward of [1.1] times the level in the six months ended June 30, 2026, and the estimated capital expenditures with reference to the capital commitments as of June 30, 2026, we estimate that we will be able to maintain our financial viability for [**REDACTED**], or, if we also take into account the [**REDACTED**] from the [**REDACTED**] provided that the [**REDACTED**] is set at [**REDACTED**] per Share, being the low end of the indicative [**REDACTED**], [**REDACTED**]. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status.

KEY FINANCIAL RATIO

Our current ratio, which equals current assets divided by current liabilities, was 1.6, 2.8 and 1.2 as of December 31, 2024 and 2025 and June 30, 2026, respectively. See "Financial Information—Key Financial Ratio" for details.

[**REDACTED**] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly issued in the [**REDACTED**] and [**REDACTED**] Unlisted Shares are converted into H Shares, and (ii) the [**REDACTED**] for the [**REDACTED**] is not exercised and the Convertible Bond is not converted at all, and (iii) [**REDACTED**] Shares are expected to be in issue following the completion of the [**REDACTED**]:

	Based on an [REDACTED] of [REDACTED] per [REDACTED]	**Based on an [REDACTED] of [REDACTED] per [REDACTED]**
Market capitalization of our Shares[(1)]	[**REDACTED**]	[**REDACTED**]
Unaudited *pro forma* adjusted net tangible assets attributable to equity shareholders of our Company per Share[(2)]	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The unaudited *pro forma* adjusted consolidated net tangible assets attributable to owners of our Company as of June 30, 2026 per Share is calculated after making the adjustments referred to in "Financial Information—Unaudited Pro Forma Adjusted Net Tangible Assets."

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, our Single Largest Shareholder, Dr. Shen, was deemed to be interested in approximately 15.92% of our Shares. Immediately following the completion of the [**REDACTED**], Dr. Shen will hold approximately [**REDACTED**]% of the Shares (assuming the [**REDACTED**] is not exercised). See the section headed "Relationship with our Single Largest Shareholder" for details.

PRE-[REDACTED] INVESTMENTS

Since 2016, we have completed six rounds of Pre-[**REDACTED**] Investments from the Pre-[**REDACTED**] Investors through subscriptions for increased registered capital of our Company, equity transfers and subscription for the Convertible Bond. The gross proceeds received by our Company from the Pre-[**REDACTED**] Investments involving increase of our registered capital amounted to RMB735 million, of which approximately 84.22% of such funds raised had been utilized as of the Latest Practicable Date. Such proceeds had been primarily utilized for the development and operation of the principal business of our Group, including but not limited to research and development of our pipeline products and our working capital. We expect to fully utilize the remaining proceeds by March 2027 and we will continue to utilize such proceeds for our operations and further development of our Group's principal business as a supplement to the intended uses of [**REDACTED**] from the [**REDACTED**].

Our broad and diverse base of Pre-[**REDACTED**] Investors includes investors focusing on investment in biotech and healthcare industry, among which Longpan Health and Tibet Longpan are Sophisticated Investors. Upon completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, each of Longpan Health and Tibet Longpan will hold approximately [**REDACTED**]% and [**REDACTED**]% of the total issued share capital of our Company, respectively. Pursuant to the PRC Company Law, all Pre-[**REDACTED**] Investors shall not dispose of any of the Shares held by them within 12 months following the Listing Date. For further information of the principal terms of the Pre-[**REDACTED**] Investments and the identity and background of our Pre-[**REDACTED**] Investors, see "History, Development and Corporate Structure—Pre-[**REDACTED**] Investments."

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] of approximately [**REDACTED**] (assuming the [**REDACTED**] is not exercised) after deducting the [**REDACTED**] fees and expenses payable by us in the [**REDACTED**] assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] of [**REDACTED**] to [**REDACTED**] per [**REDACTED**] set out in this document. We intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes.

- approximately [60.0]%, or [**REDACTED**], will be allocated for the development of our VVN461(HD), of which (i) approximately [25.0]%, or [**REDACTED**], will be allocated to the clinical development for the treatment of NIAU in the United States, (ii) approximately [12.5]%, or [**REDACTED**], will be allocated to the clinical development and registration for the treatment of NIAU in China, (iii) approximately [10.0]%, or [**REDACTED**], will be allocated for the treatment of SS-DED in China, and (iv) approximately [12.5]%, or [**REDACTED**], will be allocated to the development of VVN461(HD) for other indications, including scleritis and oGVHD;

- approximately [10.0]%, or [**REDACTED**], will be allocated for the clinical development and registration of our VVN001;

- approximately [15.0]%, or [**REDACTED**], will be allocated for the development and registration other product candidates;

- approximately [5.0]%, or [**REDACTED**], will be used for the establishment of an in-house commercialization team and marketing activities; and

- approximately [10.0]%, or [**REDACTED**], will be allocated to working capital and other general corporate purposes.

See "Business—Our Strategies" and "Future Plans and Use of [**REDACTED**]" for details.

[**REDACTED**]

Assuming the [**REDACTED**] is not exercised and an [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (which is the mid-point of the [**REDACTED**]), we expect to incur approximately [**REDACTED**] of [**REDACTED**] (including the aggregate [**REDACTED**] and fees, professional fees and other expenses relating to the [**REDACTED**]), including (i) [**REDACTED**] (including [**REDACTED**] and other expenses of approximately [**REDACTED**]) and (ii) non [**REDACTED**] of approximately [**REDACTED**], comprising (a) fees and expenses of legal advisers and accountants of approximately [**REDACTED**] and (b) other fees and expenses of approximately [**REDACTED**], accounting for approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**]. Approximately [**REDACTED**] of our [**REDACTED**] is expected to be charged to our consolidated statements of profit or loss and approximately [**REDACTED**] is expected to be deducted from equity upon Listing. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DIVIDEND POLICY

No dividend has been proposed, paid or declared by our Company since its incorporation. We do not have any plan to declare or pay any dividends in the foreseeable future. We do not have a formal dividend policy. The determination of whether to pay a dividend and in which amount is based on factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in the Shareholder's meeting. Under the PRC law and the Articles of Association, the general reserve requires annual appropriations of 10% of after-tax profits at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital. In view of our accumulated losses, as advised by our PRC Legal Advisers, according to the relevant PRC laws and regulations and the Articles of Association, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws and regulations.

RECENT DEVELOPMENT

Phase III Clinical Trial of VVN461(HD) for NIAU in China

We completed patient enrollment for the Phase III clinical trial of VVN461(HD) in NIAU patients in China in August 2026. We expect to complete such trial in the first half of 2027. See "Business—Our Product Candidates—Our Core Products—VVN461(HD)—Non-Infectious Anterior Uveitis (NIAU)—Summary of Clinical Trials—Ongoing Phase III Clinical Trial."

Phase I Clinical Trial of VVN432 in China

We completed patient enrollment for the Phase I clinical trial of VVN432 in healthy adults in China in May 2026. We expect to complete such trial in the fourth quarter of 2026. See "Business—Our Product Candidates—Our Other Products—VVN432–Summary of Clinical Trials—Ongoing Phase I Clinical Trial."

No Material Adverse Change

The Directors confirm that, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since June 30, 2026, being the date of the latest reporting period reported on in the Accountant's Report in Appendix I to this document.

CERTAIN MANAGEMENT ESTIMATES

We expect to record an increase in net loss for the year ending December 31, 2026 to the year ended December 31, 2025, primarily attributable to expected increases in research and development expenses as we advance our clinical programs.

CSRC FILING

We submitted a filing to the CSRC for application of the Listing and the [**REDACTED**] on February 20, 2026. The CSRC confirmed our completion of filing on [●].