An [**REDACTED**] *in our Shares involves various 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 occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the* [**REDACTED**] *of our Shares could decline and you may lose all or part of your* [**REDACTED**]. *You should seek professional advice from your relevant advisers regarding your prospective* [**REDACTED**] *in the context of your particular circumstances.*

KEY RISKS RELATING TO OUR BUSINESS, BUSINESS OPERATIONS, INTELLECTUAL PROPERTY RIGHTS AND FINANCIAL PROSPECTS

We depend substantially on the success of our drug candidates. If we are unable to successfully complete development, obtain regulatory approval and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.

As of the Latest Practicable Date, most of our drug candidates were at various stages of preclinical and clinical development. We have devoted, and expect to continue to devote, substantial efforts and financial resources to the development and commercialization of our existing and future drug candidates. The success of our drug candidates is subject to numerous factors, including but not limited to the successful completion of preclinical studies and clinical trials, the timely receipt of regulatory approvals, and the successful commercial launch of our drug candidates, if and when approved. As innovative and increasingly complex therapeutic modalities continue to emerge, our proprietary platforms may encounter unforeseen scientific, technical or regulatory challenges during development. Certain of our drug candidates represent innovative therapeutic approaches as compared to more established modalities and, given their differentiated features, may involve inherent development risks that could lead to delays and cost overruns in clinical development, regulatory approval or commercialization. In particular, bezacitinib, our Core Product, is a selective JAK2 inhibitor for MPNs, including MF, PV and ET. Although bezacitinib has been approved for the treatment of MF by the NMPA and we expect to submit NDA of bezacitinib for PV in the third quarter of 2026, such regulatory progress may not be indicative of the likelihood or timing of regulatory approval of bezacitinib for ET, as ET is a distinct indication with different clinical characteristics, treatment objectives, endpoint considerations and benefit-risk assessment requirements. As of the Latest Practicable Date, only one JAK inhibitor had been approved for the treatment of PV in overseas markets and was not marketed in China, and no JAK inhibitor drug had been approved for the treatment of ET either in overseas markets or in China. The regulatory review of bezacitinib for ET may involve additional uncertainty. In particular, the NMPA may not consider the efficacy and safety data generated from our clinical trials of bezacitinib for ET to be sufficient to support NDA approval. For example, the NMPA may disagree with our clinical trial design, choice of control arm, patient population, sample size, treatment duration, statistical analysis plan or clinical endpoints, or may require longer-term safety follow-up, additional subgroup analyses, or further evidence supporting the overall benefit-risk profile of bezacitinib in ET. Any of the foregoing may result in delay in NDA submission or review, additional research and development costs, a narrower approved indication or label, post-marketing study requirements, or rejection of our NDA for bezacitinib for ET, if submitted. We have implemented or plan to implement certain measures to address these regulatory risks, including extending patient follow-up, accumulating safety data from more than three years of treatment exposure, adopting a positive comparator recommended by applicable clinical guidelines and engaging in communications with the CDE in advance. However, these measures may not fully address the concerns of the NMPA, and there can be no assurance that the NMPA will agree with our clinical development strategy, accept our clinical data package, or approve bezacitinib for ET in accordance with our expected timeline or at all. In addition, the introduction of our drug candidates may require substantial education and training of patients and medical professionals, potentially increasing our sales and marketing expenses and

adversely affecting future profitability. Considering the potentially significant efforts required to promote our drug candidates, we may not be able to generate meaningful economic returns, which could materially and adversely affect our competitive position, business, financial condition and results of operations.

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

If the results of our clinical trials are negative, only modestly positive, or raise safety concerns, we may, among others: (i) be subject to substantial liabilities; (ii) experience delays in, or be prevented from, obtaining regulatory approvals for our drug candidates; and (iii) obtain approvals for narrower indications than intended. Any of these events could materially and adversely affect our ability to commercialize our products and generate revenue. A key risk we face is the potential delay or failure in obtaining marketing approval for our drug candidates if the results of our ongoing or future preclinical studies or clinical trials are inconclusive as to safety or efficacy, if we fail to meet clinical endpoints with statistical and clinically meaningful significance, or if safety concerns arise during development.

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

Undesirable adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or suspend clinical trials, and may result in more restrictive product labelling, delays or denials of regulatory approvals by the regulatory authorities, or significant modifications to our clinical protocols or development plans. If our clinical trial results reveal a high or unacceptable severity or prevalence of such adverse events or side effects, our trials could be suspended or terminated. Regulatory authorities may order us to cease further development of, or deny approval of, our drug candidates for one or more targeted indications. In such circumstances, we may be required to abandon development altogether or limit development to narrower patient populations in which the undesirable effects are less prevalent, less severe or more acceptable from a risk-benefit perspective. Treatment-related side effects may also hinder patient recruitment or retention, or result in potential product liability claims. Any of these events could materially and adversely affect our business, financial condition and prospects. In addition, the laws and regulations governing clinical trials are evolving rapidly, and the interpretation and enforcement of such laws and regulations may create additional uncertainties for our drug development process. If further studies reveal unacceptable toxicity profiles or unforeseen safety risks, regulatory authorities may impose new restrictions, suspend ongoing studies, or require significant amendments to our trial design. Any of these events could prevent us or our collaboration partners from achieving or maintaining market acceptance of our drug candidates and could materially and adversely affect our business, financial condition, results of operations and prospects.

We face substantial competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do.

We continue to face competition in respect of our existing drug candidates as well as any candidates we may develop or commercialize in the future. In recent years, competition in therapeutics for cancer and autoimmune has intensified, with large pharmaceutical companies leading development efforts and biotechnology companies achieving frequent breakthroughs. Potential competitors also include academic institutions, governmental authorities and other public or private research organizations engaged in the research, development, manufacturing and commercialization of innovative drugs. Ongoing collaborations, mergers and acquisitions within the biopharmaceutical industry may further concentrate resources among our competitors.

Consequently, our competitors may be able to advance their drug candidates through development and regulatory approval more rapidly than we can and may be more effective in marketing and selling their products. Even if we successfully develop and obtain regulatory approval for our drug candidates from the regulatory authorities, they may still face competition in various aspects, including safety and efficacy profiles, timing and scope of regulatory approval, availability and cost of supply, sales and marketing capabilities, pricing and patent protection. Furthermore, our competitors may develop, acquire or in-license, on an exclusive basis, products that are more effective or less costly than any drug candidate we may develop, or they may obtain earlier patent protection, regulatory approval, commercialization and market penetration. There can be no assurance that we will be able to compete effectively or successfully commercialize our drug candidates in such a rapidly evolving landscape.

We may not be able to successfully create or increase market awareness of our drugs or sell our products, which will materially affect our ability to generate sales revenue.

Our financial performance depends on the successful launch and commercialization of our clinical-stage and preclinical-stage drug candidates. As most of our drug candidates remain in the development stage, we have limited experience launching, marketing and selling an approved drug at commercial scale. The successful commercialization of approved drugs may involve greater inherent risks, take longer, and incur higher costs than would be the case for a company with prior experience in launching and marketing approved products. There can be no assurance that we will be able to develop and successfully maintain in-house sales and distribution capabilities sufficient to effectively commercialize any of our drug candidates, if and when approved, and as a result, we may fail to generate sales revenue as planned. We may also seek to establish collaborative arrangements with third parties for the commercialization of approved drugs. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or that such arrangements, if established, will provide effective sales and marketing support.

We have incurred net losses during the Track Record Period and anticipate that that we will continue to incur net losses for the foreseeable future and may not be able to achieve or maintain profitability.

Investment in the development of biopharmaceutical products is inherently uncertain and involves substantial upfront expenditures. We have incurred net losses of RMB88.4 million, RMB298.5 million, RMB33.3 million and RMB80.2 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the Track Record Period, our net losses were primarily attributable to (i) our significant investments in R&D activities for the development of our drug candidates and technology platforms, (ii) changes in fair value of redemption liabilities on equity shares, and (iii) increasing administrative expenses associated with the expansion of our business. See "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income" for details. Our ability to generate revenue and achieve profitability depends significantly on our success in advancing our drug candidates into later stages of clinical development and obtaining regulatory approvals, which may not occur on a timely basis, or at all. We expect to continue to incur net losses for the foreseeable future, and the magnitude of such losses may increase as we continue, among others, our ongoing and planned R&D activities and to scaling up our business to support our R&D, clinical and potential commercialization activities. If any of our drug candidates fail in clinical development, are not approved by regulators, or, even if approved, fail to achieve market acceptance, we may never achieve profitability. Even if we become profitable, we may not be able to sustain profitability in subsequent periods. Our historical and expected future losses have had, and will continue to have, a material adverse effect on our business, financial condition and results of operations.

If we are unable to obtain and maintain adequate intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us. Our current or any future patents may be challenged and invalidated even after issuance.

Our success depends substantially on our ability to protect our small-molecule drug discovery and evaluation platform and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. The patent prosecution process is expensive, time-consuming and complex. We may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents at a reasonable cost or within a reasonable timeframe in all desired jurisdictions to prevent competitors from developing or commercializing competing products in certain fields or markets. Patentability requirements differ across jurisdictions. Many countries have compulsory licensing laws that may compel a patent holder to grant licenses to third parties, or limit the enforceability of patents against government agencies or contractors, which could reduce the value of our patents and materially impaired our competitive position. Patents may be invalidated or denied for numerous reasons, including known or unknown prior art, deficiencies in the patent application, or a lack of novelty in the underlying invention or technology. We cannot assure you that all of our pending patent applications will be granted. It is also possible that we may fail to identify patentable aspects of our research and development output in time to obtain protection. Individuals or entities who have access to confidential or potentially patentable aspects of our R&D, such as employees and collaborators may breach their obligations and disclose such information before a patent application is filed, jeopardizing our ability to obtain protection. In addition, publications of discoveries in scientific literature often lag behind the actual discoveries, and we cannot be certain that we were the first to make the inventions claimed in our patents or pending applications, or that we were the first to file for patent protection of such inventions.

The issuance of a patent does not guarantee its validity, enforceability or scope. Our patents may be challenged before courts or patent offices in China, the United States, Europe or other jurisdictions. Adverse determinations in any such proceedings could narrow or invalidate our patents, permit third parties to commercialize similar technologies or products without compensating us, and materially reduce the scope of our protection. Our competitors may also circumvent our patents by developing similar or alternative technologies that do not infringe our claims. We may not obtain patents in certain jurisdictions, or may be unable to prevent third parties from using our inventions or importing infringing products into our target markets. Competitors may use our technologies in jurisdictions where we lack patent protection to develop their own products and export them to markets where enforcement is weaker, thereby competing directly with us. Our patent rights may not be effective or sufficient to prevent such competition. In addition, we may face difficulties stopping infringement or misappropriation of our patents or trade secrets, or preventing the marketing of competing products in violation of our rights. Proceedings to enforce our patents or other intellectual property rights in foreign jurisdictions could result in substantial costs, divert management and technical resources, expose our patents to challenges of validity or enforceability, and may provoke counterclaims. We may not prevail in such proceedings, and any damages or remedies obtained may be inadequate. Any of the foregoing factors could materially and adversely affect our competitive position, business, financial condition, results of operations and prospects.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

Clinical trials are costly, complex to design and implement, and often require years to complete, with inherent uncertainty regarding the outcome and risks of failure at any stage of development. Drug candidates that show promising safety or efficacy data in early trials may subsequently fail to meet the desired endpoints in later stages, even when such studies are rigorously designed and executed. Clinical outcomes may also vary significantly among different

trials of the same drug candidate due to multiple factors, including but not limited to differences in individual patient conditions (such as genetic background), the use of concomitant medications, and pre-existing medical conditions. Changes to any aspect of the development program carry inherent risks that they may not achieve the intended outcomes and could instead adversely affect the consistency, comparability, or results of clinical trials. Any delay, disruption, or modification in the completion of our clinical trials may increase development costs, prolong the regulatory approval process, and delay the launch or commercialization of our drug candidates. Such occurrences could materially and adversely affect our business, financial condition and prospects.

The manufacturing of biopharmaceutical products is a complex process, and we may face difficulties in manufacturing biopharmaceutical products on a large commercial scale.

Our experience in manufacturing biopharmaceutical products at a commercial scale remains limited. Manufacturing such products is complex, partly because of stringent regulatory requirements. We cannot assure you that we will not encounter manufacturing issues for our drug candidates in the future. In addition, we face certain risks related to the CDMOs we engage for manufacturing activities. See "— Risks Relating to Our Reliance on Third Parties — We may rely on third parties to manufacture our drug products for clinical development and commercial sales. If these third-party manufacturers fail to deliver sufficient quantities of products or fail to do so at acceptable quality levels or prices, our business could be harmed." Various factors may cause issues during manufacturing, including but not limited to: (i) equipment malfunction, (ii) failure to follow specific protocols and procedures, and (iii) problems with raw materials, in which case we may need to discard a batch or several related batches of certain future products, which could lead to production delays, higher costs, lost revenue, or even product recalls and product liabilities, and harm to our customer relationships and reputation.

We may need to obtain additional financing to fund our operations. If we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.

Since our inception, our operations have consumed significant amounts of cash to complete clinical development, regulatory review, manufacturing, marketing, and launch before they can generate product sales revenue. We will need to continue investing heavily in the development and commercialization of our pipeline products. Our future funding needs will depend on numerous factors, including but not limited to the progress, timing, scope, and costs of our clinical trials, the outcome, timing, and costs of obtaining regulatory approvals for our drug candidates, and the manufacturing requirements and capabilities necessary for clinical development and future commercialization of any approved drug candidates. We expect to fund future operations primarily with [**REDACTED**] from the [**REDACTED**], bank loans and cash generated from our operations after the commercialization of our drug candidates. We may need to raise additional capital to finance our operations. If we cannot obtain adequate financing on acceptable terms or at all, we may have to delay, limit, reduce, or terminate our research and development programs or future commercialization efforts.

RISKS RELATING TO THE DEVELOPMENT OF OUR DRUG CANDIDATES

We may be unable to discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates to maintain or expand our product pipeline.

We may not succeed in discovering or developing new drug candidates or in advancing our technologies. We have engaged, and may continue to engage, in collaborations with third parties to discover and develop potential drug candidates, but we cannot guarantee that such collaborations will achieve their intended outcomes. We may also allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success. Our research or licensing activities may not identify, discover, or in-license new drug candidates for

clinical development and commercialization for various reasons, including but not limited to that our research methodology may fail or that further studies may reveal that potential drug candidates cause adverse effects. As a result, we cannot assure you that we will successfully advance our technologies, discover and develop new drug candidates, or identify additional therapeutic opportunities for our existing ones. Any failure to do so could materially and adversely affect our future growth and business prospects.

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

Failure to recruit enough subjects who meet the criteria specified in the protocol could cause significant delays in our clinical trials. Subject enrollment in our clinical trials may be influenced by various factors, including but not limited to the overall size and characteristics of the relevant patient population, the design and eligibility criteria of the specific clinical trial, and competition of our competitors conducting clinical trials for drug candidates targeting the same indications as ours. In addition, delays in enrollment may increase our costs or affect the timing or outcome of the planned clinical trials, which could in turn postpone or prevent the completion of these trials and adversely affect our ability to advance the development of our drug candidates.

The data and information we gather or otherwise rely on in our research and development process could be inaccurate or incomplete, which could harm our trial results, reputation and prospects.

Because data in the healthcare industry originates from fragmented sources, varies in format, and is often incomplete, the overall quality of data we collect or access is frequently subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and data issues and errors are frequently discovered. If we make mistakes in capturing, inputting, or analyzing data, our ability to advance the development of our drug candidates could be materially harmed, and our business, prospects, and reputation could suffer. If any authority determines that we stored, handled, submitted, delivered, or displayed health information or other data in a wrongful or erroneous manner, we could be exposed to liability. In addition, if any preclinical or clinical data generated by our collaborators contains inaccuracies, mistakes, or omissions, our clinical development activities could be adversely affected as a result.

We invest substantial human and capital resources in research and development in order to develop our drug candidates and enhance our technologies, but we cannot guarantee that such efforts will lead to successful outcomes.

The global biopharmaceutical market evolves constantly, and we strive to keep pace with emerging technologies and methodologies to maintain our competitive position. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred research and development costs of RMB64.5 million, RMB86.5 million, RMB34.1 million and RMB44.0 million, respectively. We plan to continue strengthening our technical capabilities in drug discovery, development and manufacturing, which require significant capital investment and time commitment, but we cannot assure you that such efforts may succeed. Even if we introduce such products, we cannot guarantee that they will achieve market acceptance. Any failure to do so could render our techniques obsolete and harm our business 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 of our drug candidates or from any pharmaceutical product or medical treatment used, or intended to be used, in combination with our drug candidates.

We may develop our drug candidates in combination with other drugs in the future. If the regulatory authorities revokes its approval of the treatments or drugs that we intend to use in combination with our drug candidates or if safety or efficacy issues arise, we may be unable to

develop or market our drug candidates as combination therapies as planned. In addition, manufacturing or other issues that cause a supply shortage of any drugs used in combination with our drug candidates may prevent us from completing the clinical development of such combination therapies on our current timeline, within our current budget, or at all. As a result, the clinical development of our drug candidates may be delayed or disrupted, or future demand for our drugs may decline, which could materially and adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO THE MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

We may not be able to maintain effective quality control over our drug products.

The effectiveness of our quality control and quality assurance systems rely on factors such as the production processes, the quality and reliability of the equipment we use, the capabilities of the CDMOs we engage, and our ability to ensure that they comply with our quality control and quality assurance protocols. We cannot assure you that our quality control and quality assurance procedures will consistently prevent or resolve deviations from our quality standards, or that our standard operating procedures will always remain complete or up to date. Any significant failure or deterioration in our quality control or quality assurance protocols, or in our standard operating procedures, could render our products unsuitable for use, create gaps in process audits, and harm our market reputation and relationships with business partners.

Our drug candidates, once approved, may fail to achieve the degree of market acceptance by physicians, hospitals, patients, third-party payers and others in the medical community that would be necessary for their commercial success, and the actual market size of our drug candidates might be smaller than expected.

Even if our drug candidates obtain regulatory approval, they may still fail to gain sufficient acceptance from physicians, patients, third-party payers and others in the medical community who may prefer other products to ours. If our drug candidates do not achieve adequate market acceptance, we may fail to generate significant product sales revenue and may not become profitable. The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on various factors, including but not limited to the clinical indications for which our drug candidates receive approval and the potential and perceived advantages of our drug candidates over alternative treatments. Even if our future approved drug candidates gain market acceptance, we may be unable to sustain such acceptance over time if new products or technologies emerge that are more favorably received, more cost-effective, or render our drug candidates obsolete. Failure to achieve or maintain market acceptance for our approved drug candidates would materially and adversely affect our business, financial condition, results of operations and prospects.

The construction or leasing of our production facilities may not be as successful as we have planned. If we fail to increase our production capacity in response to the increasing demand of our customers, our business prospects could be adversely affected.

We have adopted a phased approach to the commercial manufacturing of our drug candidates to ensure our ability to meet market demand following potential launch and to secure a stable and uninterrupted supply. In the near term, we expect to continue our cooperation with our collaborated CDMOs for the initial commercial-scale manufacturing and supply of our drug candidates. The completion of the manufacturing facilities is subject to ongoing compliance with applicable laws and regulations, including, but not limited to, urban planning, construction, environmental protection, and safety requirements. In addition, the availability, handover condition, and timeline of such facilities depend on the performance of the property owners, lessors or previous occupants, which are factors beyond our control. We cannot assure you that the construction or leasing will be completed on schedule, within budget, or in accordance with our planned specifications due to a

number of factors, some of which are beyond our control. Cost overruns or delays in construction could require us to raise additional funds from other sources. Any of the foregoing could have a material and adverse effect on our business operations, financial condition and results of operations.

Even after the facilities are completed, we may be unable to fully utilize the production capacity in line with our expectations. In addition, we will be subject to continuous regulatory review and inspection to assess our compliance with GMP requirements and our adherence to commitments made in NDAs, other marketing applications, and responses to prior inspection observations. We cannot assure you that we will consistently and adequately follow or document our adherence to applicable GMP or other regulatory requirements. Any failure to comply may result in material delays in the availability of our products for clinical or, in the future, commercial use, suspension or termination of clinical trials, or delay or prevention of marketing application filings or approvals for our drug candidates. Non-compliance could also subject us to sanctions, including fines, injunctions, civil penalties, suspension of clinical trials, refusal to grant marketing approvals, delay, suspension or withdrawal of approvals, supply disruptions, license revocations, product seizures or recalls, operating restrictions, or even criminal prosecution. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

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

We may pursue collaborative arrangements for the commercialization of our drug candidates in China. However, we may have limited control over their marketing and sales activities beyond the contractual terms, and actual revenue generated may be lower than anticipated. Competition for suitable third-party commercialization partners may further limit our ability to establish or maintain such arrangements on favorable terms or within the desired timeframe, which could adversely affect our ability to generate product revenue. Revenue and cost synergies from such collaborations are inherently uncertain and subject to significant business, economic and competitive risks, many of which are beyond our control. Even if expected benefits are realized, they may not occur within the anticipated timeframe and may be offset by additional costs, operating losses, or unrelated business challenges. Disputes with collaborators could arise, potentially delaying or terminating commercialization, or resulting in costly litigation or arbitration that diverts management attention and resources. There can be no assurance that collaborations will achieve the anticipated benefits or that we will generate expected revenues from such arrangements.

Counterfeit biopharmaceutical products and the illegal and/or parallel import of competing drugs may reduce demand for our drug candidates and compromise reputation, which could adversely affect our business.

Unauthorized imports or counterfeit versions of our future approved products may adversely affect the demand for our future approved drug candidates and, in turn, our sales and profitability in the PRC and other markets where we commercialize our products. In addition, cross-border imports from lower-priced to higher-priced markets could harm sales of our future products and exert downward pressure on pricing. Furthermore, competent authorities may expand consumers' ability to import lower-priced biosimilar or competing products from outside China or other countries in which we operate, conduct clinical trials, or perform contractual obligations, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Governmental authorities may not be able to timely detect or prevent counterfeit products imitating ours. As counterfeit products often resemble genuine products but are sold at lower prices, their circulation could reduce demand for our future approved products. Counterfeit pharmaceutical products are unlikely to meet our or our collaborators' manufacturing and testing standards and may even cause harm to patients. Any occurrence of counterfeit versions of our products could materially and adversely affect our reputation, brand value, and overall business performance.

Negative results from off-label use of our future marketed drug products could materially harm our business reputation, product brand and financial condition and expose us to liability.

Our products may be prescribed in patient populations, dosages or dosage forms that have not been approved, which may raise potential risks relating to insufficient safety and efficacy data, regulatory compliance, reimbursement, and post-market monitoring. Off-label use could also render our products less effective or cause unexpected adverse drug reactions or events, leading to negative publicity or reputational harm, which may expose us to liability, delay our clinical development, or adversely affect the prospects of obtaining or maintaining regulatory approval for our drug candidates.

Even if we are able to commercialize our drug candidates, we may face uncertainties from national, provincial or other third-party drug reimbursement practices and unfavorable drug pricing policies or regulations, which could harm our business.

The regulatory frameworks governing approval, pricing and reimbursement of new therapeutic products vary significantly across jurisdictions. We intend to seek marketing approvals for our drug candidates primarily in China, where the pricing of drugs and biologics is subject to lengthy procedures even after regulatory approval is obtained. In China, the inclusion or exclusion from the NRDL materially affects market demand for a pharmaceutical product in China. There is no assurance that any of our future approved drug candidates will be included in the NRDL. Furthermore, continued reforms in China's pharmaceutical sector may lead to additional pricing or reimbursement measures that could adversely impact our pricing strategy and revenue. There can be no assurance that reimbursement will be available for any of our approved drug candidates or, if available, that it will be at levels sufficient to support their commercialization. There may be significant delays in obtaining reimbursement for approved drug candidates, and coverage may be more limited than the purposes for which the drug candidates are approved by the regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payers. Our inability to secure or maintain adequate coverage and reimbursement from government and private payers in a timely manner, or at commercially reasonable levels, could materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We have entered into or may enter into technology transfer agreements or license and collaboration agreements with certain third parties. We may not realize any or all benefits of such technology transfers, alliances or licensing arrangements, and disputes may arise between us and our collaboration partners.

Historically, we have entered into technology transfer agreements with select third parties, encompassing both the acquisition and assignment of patent rights, which could expose us to a range of risks and uncertainties such as challenges in verifying the validity, enforceability, and scope of the acquired patents, and existing disputes, encumbrances, or third-party claims, if any. When assigning our patent rights to third parties, we may be subject to representations and warranties as well as certain obligations related to the transferred patents, as well as disputes regarding the interpretation of contractual terms or the scope of rights transferred. There can be no assurance that our technology transfer activities will achieve the intended strategic or financial objectives, and any adverse outcome could have a material adverse effect on our business, financial condition, and results of operations. Furthermore, we face significant competition in seeking appropriate strategic partners with whom to collaborate on the development of our drug candidates, and the negotiation process is time-consuming and complex and may not always be successful because, among other reasons, they may be deemed to be at too early a stage of development for

collaborative efforts. If and when we collaborate with a third party for the development and commercialization of a drug candidate, we may also relinquish some or all control over the future success of that drug candidate to the third party, or be restricted under existing license agreements from entering into agreements on certain terms, or at all, with potential collaborators. Collaborations involving our drug candidates are subject to specific risks, which include, but are not limited to, collaborators' significant discretion in determining the efforts and resources that they will apply to a collaboration and short notice before termination of the collaboration and licensing agreements, which all fall out of our control.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we select to fund and undertake development or commercialization activities independently, we may need to obtain additional expertise and capital, which may not be available to us on acceptable terms or at all. Either outcome could adversely affect our business, financial condition, results of operations and prospects. In addition, potential license agreements with third parties providing us with rights to various intellectual properties may impose diligence obligations in development or commercialization of the licensed intellectual properties, among others, on us. If we fail to comply with our obligations under license agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any drug or drug candidate that is covered by the licenses provided for under these agreements or we may face claims for monetary damages or other penalties under these agreements. Moreover, if our licensors fail to fully perform their obligations or meet our expectations under such in-licensing agreements or terminate their relationship with us, we may be unable to successfully develop and commercialize the affected drug candidates, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property, or to defend against third-party claims, which could be expensive, time-consuming and unsuccessful.

Litigation and other proceedings related to such claims can be costly and time-consuming and prompt these parties to file counterclaims against us, alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. Some of our confidential information could be compromised through disclosure during such proceedings due to the extensive discovery process. An adverse outcome in any such litigation could expose our patents and any future patents granted from our pending applications to risks of being invalidated, held unenforceable, or narrowly interpreted. Therefore, even if we ultimately prevail or reach an early settlement, such litigation could still impose substantial and unexpected costs on us. Moreover, we may not always be able to detect infringement of our patents timely or at all. Even when we do detect infringement by a third party, we may decide not to pursue litigation or settlement immediately. We may also face claims from former employees, collaboration partners or other third parties asserting an interest in our owned, out-licensed or in-licensed patents, patent applications, trade secrets or other intellectual property as inventors or co-inventors. Irrespective the outcome of such claims, the associated litigation could still result in substantial costs, distract management and other employees and loss of our valuable intellectual property rights. Any of these developments could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Issued patents covering one or more of our drug candidates or technologies could be found invalid or unenforceable if challenged in court or administrative proceedings, potentially harming our competitive position.

Our intellectual property rights may be challenged or invalidated. The outcome of any legal challenge to validity or enforceability remains inherently unpredictable. Even if a defendant does not prevail on such legal assertions, the court may interpret our patent claims in a way that limits our ability to enforce them against that defendant or others, which could discourage potential partners from entering into collaborations with us to license, develop, or commercialize our current or future drug candidates. Moreover, even if infringement is established, the court may not provide an adequate remedy. Any loss or diminishment of patent protection could have a material adverse effect on one or more of our drug candidates and our overall business.

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

The patent authorities require compliance with numerous procedural, documentary, fee payment and related formalities during the patent application and maintenance process. There are instances where non-compliance could result in a partial or complete loss of patent rights in the relevant jurisdiction. Should any of these events occur, our competitors may be able to enter the market with similar products, which could have a material adverse effect on our business.

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.

Depending on the jurisdiction, various extensions may be available, but the life of a patent, and the protection it affords, is limited. Once the patent life has expired, we may be exposed to competition from other medications, including biosimilar products, thus not be able to develop or market the relevant product exclusively. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after commercialization. As a result, our owned and in-licensed patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Changes in patent and other intellectual property laws of China, the United States or other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates and future drugs.

Changes in patent laws or their interpretation in China, the United States or other jurisdictions may increase the uncertainties and costs associated with patent prosecution, reduce our ability to protect our inventions, or affect our capacity to obtain, maintain, defend and enforce our intellectual property rights, or even diminish the value of our intellectual property or narrow the scope of our patent rights. In China, intellectual property laws are continuously evolving, with ongoing efforts to strengthen intellectual property protection. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Laws and Regulations Related to Intellectual Property Rights." If we are required to delay the commercialization of our drug candidates due to ongoing patent extension or exclusivity disputes, including conflicts with third parties regarding the scope or duration of patent protection, such delays may allow competitors to launch new or more advanced therapies, potentially rendering our drug candidates less competitive or obsolete. In addition to creating uncertainty regarding our ability to obtain patents in the future, these developments have also generated uncertainty as to the value of patents once obtained. Similar legal in foreign jurisdictions

may also affect the value of our patent rights or other intellectual property rights. Any of the foregoing could have a material adverse effect on our patent rights and our ability to protect, defend and enforce such rights in the future, as well as on our competitive position, business, financial condition, results of operations and prospects.

If we are unable to protect the confidentiality of our trade secrets and confidential information, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property.

We seek to safeguard our trade secrets and confidential information by entering into non-disclosure and confidentiality agreements with those who have access to them, but may not be able to catch every unauthorized disclosure or use timely or at all, or guarantee that we have entered into such agreements with every party that currently has, or previously had, access to our trade secrets or proprietary technology and processes. Consequently, we could lose valuable trade secrets, and third parties could use this information to compete with our drug candidates and technology. Enforcing a claim that a party has illegally disclosed or misappropriated a trade secret can be complex, costly and time-consuming, with unpredictable outcomes. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent their use of such technology or information, which would harm our competitive position. Furthermore, we may also be subject to claims that we or our employees, consultants or advisors have used or disclosed intellectual property, including trade secrets or other proprietary information, of their current or former employers. Irrespective the outcome of defending such claims, litigation could still result in substantial costs and distract our employees and management from their responsibilities. We may not always succeed in obtaining such agreements, and the assignment of intellectual property rights may not be self-executing, or the agreements may be breached. Individuals executing agreements with us may also have pre-existing or competing obligations to third parties, which could render our agreements ineffective in securing ownership of inventions developed by those individuals. Irrespective the outcome of such proceedings, the resulting litigation could be costly and divert the attention of our management and scientific personnel. Moreover, our commercial success depends partially on our ability to avoid infringing, misappropriating, or otherwise violating the intellectual property rights of third parties. However, our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful, and would be expensive and time-consuming.

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

We cannot assure you that any of our pending trademark applications or any applications we may file in the future will ultimately be approved. During the trademark registration process, we may receive rejections, and we may not be able to overcome such rejections. In addition, in proceedings before the patent agencies in other jurisdictions, third parties may oppose our pending trademark applications or seek to cancel our registered trademarks, and our trademarks may not survive such proceedings, in which case we may be required to change our brand names, which could materially and adversely affect our business. We may not be able to protect our rights to these trademarks and trade names in potential challenging proceedings, which are essential for building name recognition among potential partners or customers in our target markets. Moreover, as our products mature, our reliance on our trademarks to distinguish ourselves from competitors will increase. If we are unable to prevent third parties from adopting, registering or using trademarks that infringe, dilute or otherwise violate our rights, or from engaging in conduct that constitutes unfair competition, defamation or other violations of our rights, our brand value and market presence could be materially undermined. Over the long term, if we fail to establish strong name recognition based on our trademarks and trade names, we may not be able to compete effectively, and our business could be adversely affected.

Intellectual property rights do not necessarily protect us from all potential threats.

As intellectual property rights have inherent limitations, they do not necessarily shield us from all potential competitive threats posed by other biotechnology companies. Some of these limitations include but not limited to that other parties may be able to manufacture drugs that are similar to our drug candidates or use comparable technologies that are not covered by the patents we currently own or may in-license in the future; other parties may independently develop similar drugs through methods or means that do not technically infringe, misappropriate or otherwise violate our intellectual property rights, particularly where the scope of protection afforded by our rights is limited by the laws and regulations of certain jurisdictions or by court judgments or other legal proceedings; and our competitors may conduct research and development activities in countries where we do not hold patent rights and use the knowledge gained to develop competing drugs for sale in our major markets.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially harmed.

We are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our collaboration with the CROs and CDMOs does not relieve us of our regulatory responsibilities. If we or any of our CROs or clinical investigators fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the regulatory authorities may require us to perform additional clinical trials before approving our marketing applications, which would delay the regulatory approval process. If any of our relationships with these third-party CROs or CDMOs terminates, we may not be able to enter into arrangements with alternative CROs or CDMOs or to do so on commercially reasonable terms. In addition, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and non-clinical programs. If the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approvals for or successfully commercialize our drug candidates.

We may engage third parties to manufacture our drug products for clinical development and commercial sales. If these third-party manufacturers fail to deliver sufficient quantities of products or fail to do so at acceptable quality levels or prices, our business could be harmed.

During the Track Record Period, we outsourced certain manufacturing activities to industry-recognized CDMOs in China to support the preclinical and clinical supply of our drug candidates. See "Business — CMC and Manufacturing — Our Collaboration with CDMOs" for details. Going forward, we may continue such practice, which exposes us to certain risks, including but not limited to failure to identify suitable manufacturers as to experience, capabilities and capacity, among others, on acceptable terms, or at all, as well as their fulfillment of their contractual obligations. Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates by the regulatory authorities, result in higher costs, or adversely impact the commercialization of our drug candidates. In addition, during the Track Record Period, we and our CDMOs relied on third parties to supply certain raw materials and products used in our research and development and clinical trials which is expected to continue in the near future. Any disruption in production, or the inability of our suppliers or the suppliers of our CDMOs to provide adequate quantities to meet our increasing needs, could impair our operations and the research and development of our drug candidates.

Our operations are dependent on the supply of certain raw materials. If the supply of raw materials decreases or the cost increases, or there are disruptions in the supply chain, our ability to conduct our business could be materially impaired and our operations could be adversely affected.

During the Track Record Period, we relied on third parties to supply certain materials and equipment for the research, development, manufacturing and commercialization of our drug products and expect to continue such practice. For details, please refer to the paragraphs headed "Business — Suppliers and Procurement" in this document. There is a risk that, if supplies are interrupted, we may not be able to find alternative suppliers in a timely and commercially reasonable manner, or at all. Moreover, our needs on a stable supply of materials may increase significantly as our pipeline drug candidates entered the late stages of clinical trials and we may enter commercial production of bezacitinib and CX1440 following their receipt of marketing approval. However, there is no assurance that current suppliers have the capacity to meet our demand. We are also exposed to the risk of increased costs, which we may not be able to pass on to customers and, as a result, lower our profitability. Additionally, our suppliers may fail to maintain adequate quality of the services, materials and equipment that we require. Any of the aforementioned could delay the completion of our clinical studies, the regulatory approval of our drug candidates, or our ability to timely meet market demand for our commercialized products, as applicable.

If our business partners fail to maintain the necessary licenses for the development, manufacturing and commercialization of our products, our business could be materially affected.

If our business partners fail to maintain or renew material permits, licenses or certificates, our ability to conduct our business could be materially impaired. Any change in the standards applied by governmental authorities when considering whether to renew or reassess our business partners' licenses, permits and certifications, as well as the enactment of new regulations that may restrict their operations, may also decrease our revenue and increase our costs, which in turn could materially and adversely affect our business, financial condition and results of operations.

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

If we are unable to develop and maintain our relationships with industry participants as anticipated, our business, financial condition and results of operations may be materially and adversely affected. These industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us, or cooperate with our competitors instead. Even if they continue to cooperate with us, their market insights and perceptions, which we take into account in our research and development process, may be inaccurate and lead us to develop products that do not have significant market potential. Even if their insights and perceptions are correct, we may fail to develop commercially viable products. Industry participants may no longer want to collaborate with us or attend our conferences, and our marketing strategy may no longer be able to yield results commensurate with the efforts we expend.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We are a commercial-stage biotechnology company with a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a commercial-stage biotechnology company with a limited operating history. We have limited experience obtaining marketing approvals for, or commercializing, our drug candidates. 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 incurred net liabilities, net current liabilities and net operating cash outflows during the Track Record Period, which may continue into the foreseeable future and expose us to liquidity risk.

As of December 31, 2024 and 2025 and June 30, 2026, we had net liabilities of RMB411.4 million, RMB614.5 million and RMB694.6 million, respectively, and net current liabilities of RMB467.5 million, RMB709.0 million and RMB808.2 million as of the same dates, respectively, primarily because our redemption liabilities on equity shares were recorded as current liabilities. These equity shares with special rights were issued to our Pre-[**REDACTED**] investors and will be automatically converted into ordinary shares upon the [**REDACTED**], upon which the redemption liabilities will be derecognized from our liabilities. A net liabilities position and net current liabilities position can expose us to liquidity and financial risks.

We had net cash flows used in operating activities of RMB62.7 million, RMB96.4 million, RMB34.8 million and RMB67.5 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. We may experience net cash outflows from our operating activities from time to time. See also "Financial Information — Liquidity and Capital Resources — Cash Flows." 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 capitals, we may unable to operate our business sustainably.

We have historically received financial incentives, such as government subsidies, and we may not continue to receive such incentives in the future.

We have historically received various government subsidies, including subsidies from different PRC governmental authorities to support the research and development for our drug candidates. We recognized government grants as other income of RMB14.8 million, RMB9.4 million, RMB9.4 million and RMB64 thousand in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. There is no assurance that we could continue to enjoy or maintain financial incentives or government subsidies at the historical levels, or at all, or apply for new financial incentives or government subsidies. Any change, suspension or termination of these government subsidies, or government financial incentives in other forms, may have a negative impact on our business, financial condition and results of operations.

The impairment of our other receivables may affect our business operations.

Our liquidity and financial position would be adversely affected if significant amounts due to us are not settled on time or substantial impairment is incurred, which may adversely affect our financial position and results of operations. We conduct assessments on the impairment of other receivables based on, among others, our historical settlement records, our relationship with relevant counterparties, payment terms, current economic trends and to a certain extent, the larger economic and regulatory environment, which involve the use of various judgments, assumptions and estimates by our management. However, there is no assurance that our expectations or estimates will be entirely accurate, as we are not in control of all the underlying factors affecting such prepayments, deposits and other receivables.

Our financial performance and results of operations may be adversely affected by fair value changes of our financial assets at FVTPL.

As of December 31, 2024 and 2025 and June 30, 2026, we recorded financial assets at FVTPL of RMB40.1 million, RMB80.2 million and RMB85.5 million, respectively, which represented investments in wealth management products. As these wealth management products were not traded in active market, their fair values were determined based on the expected rate of return on our investment. For more details about the fair value estimation, please see Note 31 to the Accountants' Report in Appendix I to this document. As a result, such treatment of carrying amounts of our financial assets at FVTPL may cause significant volatility in or materially and adversely affect our period-to-period earnings, financial condition and results of operations.

Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders.

We have granted restricted shares to our employees. During the Track Record Period, we recorded share-based payments of RMB93.1 million in 2025. We may record more share-based payments in the future. To further incentivize our employees, Directors and consultants and align their interests with ours, we may grant additional share-based compensation in the future. Issuance of such additional shares may increase our operating expenses and therefore have an adverse effect on our financial performance and dilute the shareholding percentage of our existing Shareholders.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our properties as of June 30, 2026 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited are set forth in the report set out in Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

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

The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar, at times significantly and unpredictably due to changes in political and economic conditions and by foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or U.S. dollar in the future. The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**] and any dividends payable on, our Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to complete filings with and obtain approvals from the SAFE before converting significant sums of foreign currencies into Renminbi. All of these factors 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 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. Government actions in an attempt to address and rectify these market and economic conditions may not be successful, which may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms.

RISKS RELATING TO OUR OPERATIONS

The loss of any key members of our senior management team or our inability to attract and retain highly skilled scientists, clinical and sales personnel could delay or prevent the successful development of our drug candidates and result in a material adverse effect on our business and results of operations.

Our commercial success depends significantly on the continued service of our senior management. See "Directors and Senior Management" for more details. Our agreements with our executive officers do not prevent them from terminating their employment with us at any time. Recruiting and retaining qualified scientific, technical, clinical, sales, and marketing personnel in the future will also be critical to our success. Competition for talent in the pharmaceutical industry is intense, and the pool of qualified candidates is limited. The loss of our senior management or other key employees and consultants could hinder the achievement of our research, development, and commercialization goals and seriously impair our ability to successfully implement our business strategy. Furthermore, replacing executive officers, key employees, or consultants may be difficult and time-consuming given the limited number of individuals in our industry with the necessary breadth of skills and experience to successfully develop, obtain regulatory approval for, and commercialize products like those we develop. To compete effectively, we may need to offer higher compensation and additional benefits, which could materially and adversely affect our financial condition and results of operations. In addition, we may not succeed in training our professionals to keep pace with evolving technological and regulatory standards. Any inability to attract, motivate, train, or retain qualified scientists or other technical personnel could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could adversely affect our business, financial conditions, results of operations and reputation.

We may from time to time become subject to legal proceedings and claims arising in the ordinary course of business or as a result of governmental or regulatory enforcement actions which may escalate and result in substantial costs and divert management's attention and resources. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material and adverse effect on our financial condition, results of operations, or reputation.

We may be unable to detect, deter and prevent all instances of bribery, fraud or other misconduct committed by our employees or third parties.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery, or other misconduct involving employees or other third parties that had any material and adverse impact on our business and results of operations. However, we cannot assure you that no such instances will occur in the future. We may be unable to prevent, detect or deter all instances of misconduct by our employees or third parties. Any such misconduct committed against our interests, including past acts that have gone undetected or future acts, may have a material and adverse effect on our business, results of operations, and reputation.

We are subject to risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.

China's political relationships with foreign countries and regions may affect the prospects of our relationships with third parties, such as business partners, suppliers and future customers and a decline in the demand for our future products. 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. Rising trade and political tensions, as well as changes in relevant government policies, could reduce levels of trade, investment, technological exchange and other economic activities between China and other countries and regions. Examples include but not limited to the "America First Investment Policy" (the "**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. During the Track Record Period, the America First Memo did not have any material impact on our operations. These restrictions may continue to evolve, potentially extending beyond direct investments to include partnerships, licensing agreements and technology transfers, thereby creating broader compliance burdens and operational uncertainties. We cannot assure you that future interpretations or expansions of these rules will not affect our business operations. We may also be subject to review and enforcement under domestic and foreign laws that screen foreign investment and acquisitions. In both the U.S. and non-U.S. jurisdictions, these regulatory requirements may treat companies differently based on the type of company in question and the investor profile in the company. As a result of these laws, investments by particular investors may need to be filed with local regulators, which in turn may impose added costs on our business, impact our operations and/or limit our ability to engage in strategic transactions that might otherwise be beneficial to us and our investors. These laws are also regularly changed and updated. For example, recently issued U.S. government regulations, such as the final rule implementing Executive Order 14105, known as the Outbound Investment Rule, which took effect in January 2025, restrict U.S. person direct and indirect investment into companies with specified connections to China that use specific technologies of concern. Additional U.S. legislation has been proposed that would further expand the set of technologies of concern. These rules may limit our ability to engage in certain kinds of research or to invest or maintain investments in China, and they may also limit our ability to raise capital from U.S. and other sources. Continuing changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance and growth prospects.

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 future drug products and affect our existing and future relationships with shareholders and business partners, the provision of research and development and other services, the supply of materials and products, the hiring of scientists and other research and development personnel, and the import or export of raw materials in relation to drug development, or prevent us from selling our drug products in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could limit our ability to expand into certain markets and have an adverse effect on our business, financial condition and results of operations. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

In particular, the United States government's attitude towards Chinese service providers in pharmaceutical and biotechnology industries may directly or indirectly affect our business operations. The United States has recently passed legislation, namely the BIOSECURE Act, to prohibit U.S. federal executive agencies from procuring or obtaining any biotechnology equipment or service produced or provided by a "biotechnology company of concern", or entering into or renewing a contract, loan, or grant with an entity that uses such biotechnology service or equipment. During the Track Record Period, the BIOSECURE Act did not have any material impact on our operations or our cooperation arrangements with our suppliers, including CROs and CDMOs. However, if our suppliers or collaboration partners were to be listed as "biotechnology 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. Moreover, on February 28, 2024, President Biden issued Executive Order (EO) 14117, restricting transfers of sensitive personal data (e.g., genomic, biometric and health data) to "countries of concern," including the PRC. The U.S. Department of Justice (DOJ) subsequently advanced the rulemaking process and issued the final rule of EO 14117 on December 27, 2024, formally titled "Preventing the Exploitation of United States Sensitive Data by Countries of Concern or Covered Persons", which became effective on April 8, 2025. For the avoidance of doubt, the final rule implementing Executive Order 14117 concerns transfers of sensitive personal data to "countries of concern" and does not govern the "covered foreign person" or "covered transaction" analysis addressed in the Outbound Investment Rule. Under the Outbound Investment Rule implementing Executive Order 14105, which became effective on January 2, 2025, U.S. persons (including U.S. citizens and permanent residents, entities organized under U.S. law (including their foreign branches), and any person in the U.S.) are subject to investment prohibitions and notification requirements for certain transactions in three sensitive technology categories (semiconductors and microelectronics, quantum information technologies, and artificial intelligence systems). These restrictions apply when a transaction involves a "Covered Foreign Person" — generally referring to a person in a country of concern engaged in a "Covered Activity." Covered transactions include activities such as acquiring equity interests (including contingent equity interests), providing certain debt financing, forming joint ventures, or investing as a limited partner in a fund, where the relevant requirements are met, including where such transactions involve a covered foreign person or are expected to result in a person of a country of concern engaging in a covered activity. Certain exceptions are provided. Notably, investments in publicly traded securities that trades on a securities exchange are exempted, except to the extent that the investments would provide rights beyond minority shareholder protections. In light of the nature of our business, we do not engage in any "covered activities" relating to semiconductors and microelectronics, quantum information technologies, or restricted categories of artificial intelligence systems, nor do the entities in which we hold a specified interest engage in such activities. Accordingly, we are not a "covered foreign person," and an [**REDACTED**] by a U.S. person in our Shares would not constitute a "covered transaction" under the Outbound Investment Rule. The Outbound Investment Rule does not restrict [**REDACTED**] by U.S. persons in our Shares and has no material impact on the Company or the [**REDACTED**]. The regulatory landscape remains dynamic. Future interpretations of the exemption, amendments to the rule or additional enforcement actions could narrow its applicability or impose compliance obligations (e.g., data anonymization requirements, certifications or contractual safeguards). We cannot guarantee that our current operations will remain unaffected, particularly if geopolitical tensions prompt further restrictions on cross-border data flows. We cannot guarantee that stricter interpretations or geopolitical developments will not subject us to new restrictions or scrutiny.

Product liability claims or lawsuits against us could result in expensive and time-consuming litigation, payment of substantial damages and increases in our insurance rates.

We face inherent risks of product and professional liability arising from the clinical testing and any future commercialization of our drug candidates both inside and outside China. Any such product liability claims may include allegations of manufacturing defects, design defects, failure to warn of potential dangers inherent in the drug, negligence, strict liability, or breach of warranties. Claims could also be brought under applicable consumer protection laws. If we fail to successfully defend ourselves against such claims, we may incur substantial liabilities or be required to limit the commercialization of our drug candidates. Even if we successfully defend against such claims, doing so would require significant financial and management resources. Regardless of the merits or outcome, liability claims may result in, among others, decreased demand for our drug candidates, damage to our reputation, and withdrawal of clinical trial participants and inability to continue ongoing clinical trials. If a successful product liability claim, or a series of such claims, is brought against us for uninsured liabilities or in excess of insured limits, our assets may not be sufficient to cover such claims, which could impair our business operations. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

Our information technology systems, or those used by our CROs, CDMOs, partners, other independent contractors or consultants, may fail or suffer security breaches, which may require us to expend additional resources to protect our information technology systems and could materially and adversely affect our business, financial condition, results of operations and prospects.

We could also be exposed to risks arising from the misappropriation, misuse, leakage, falsification, or intentional or accidental release or loss of information maintained in the information systems and networks of our company, our third-party vendors, and clinical sites, including personal information of our employees and, potentially, our clinical study patients, as well as company and vendor confidential data. If a material breach of our information technology systems or those of our vendors occurs, market perception of the effectiveness of our security measures could be harmed, and our reputation and credibility could suffer. We could also be required to expend significant amounts of money and resources to repair or replace compromised information systems or networks. In addition, we could be subject to regulatory actions or claims by individuals or groups through private litigation involving privacy issues related to data collection and use practices or other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. The development and maintenance of systems, controls, and processes to prevent such events are costly and require continuous monitoring and updating as technologies evolve and attempts to overcome security measures become increasingly sophisticated.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, cause dilution to our Shareholders, cause us to incur debt or assume contingent liabilities and subject us to other risks.

From time to time, we may consider various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies, or businesses. Any completed, ongoing, or potential acquisition or strategic partnership may involve numerous risks, including but not limited to increased operating expenses and cash requirements and the assumption of additional indebtedness or contingent or unforeseen liabilities. In addition, if we proceed with acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur significant one-time expenses, or acquire intangible assets that could result in substantial future amortization expenses. Moreover, we may not be able to identify suitable acquisition opportunities, and such inability could hinder our growth or prevent us from gaining access to technologies or products that may be important to our business development.

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition, results of operations and prospects could suffer.

Our future financial performance and our ability to commercialize our drug candidates will depend in part on how effectively we manage our recent and future growth. In addition, our management may be required to divert a disproportionate amount of attention away from daily operations to devote substantial time to overseeing growth-related activities. As our development and commercialization plans and strategies evolve, we will need to add a significant number of managerial, operational, manufacturing, sales, marketing, financial, and other personnel. Our recent and any future growth will place substantial additional responsibilities on our management, including but not limited to continuing to innovate and develop advanced technologies in the highly competitive pharmaceutical industry and effectively managing our internal development efforts. If we fail to effectively manage our growth and expand our organization, we may not be able to implement the necessary tasks to further develop and commercialize our drug candidates. As a result, we may be unable to achieve our research, development, and commercialization goals. Such failure could materially and adversely affect our business, financial condition, results of operations, and prospects.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources, which may negatively impact our R&D progress and overall operations.

We maintain insurance policies as required under PRC laws and regulations, which we believe are consistent with market practice and adequate for our business to protect against risks and unforeseen events. See "Business — Insurance" for details. However, our insurance coverage may not be sufficient to cover all potential claims, or we may not be able to maintain sufficient insurance coverage at commercially reasonable terms. Any liabilities or damages to, or caused by, our facilities or personnel that exceed our insurance coverage could result in substantial costs, divert our resources, and adversely affect our drug development and overall operations.

Any failure to comply with the PRC regulations regarding mandatory social insurance and housing provident fund contributions may subject us to fines and other legal or administrative sanctions.

According to the Social Insurance Law of the PRC《中華人民共和國社會保險法》) and the Administration of Housing Accumulation Funds (《住房公積金管理條例》), we are obligated to contribute social insurance premium and housing fund for our employees. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Labor, Social Insurance and Housing Fund." During the Track Record Period, we engaged an independent third-party agency to pay, on behalf of the Company, the relevant contribution for two employees. As a result, we may be required by competent authorities to rectify the non-compliance and could be subject to a fine or penalty if we fail to rectify such non-compliance as required. Such arrangement was ceased in April 2026. As of the Latest Practicable Date, no competent government authorities had imposed administrative action, fine or penalty to us with respect to this non-compliance incident. We cannot assure you that we will not be subject to any penalty, or order to rectify non-compliance in the future. We may incur additional expenses to comply with such laws and regulations.

Negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners may affect our reputation and may, as a result, negatively affect our business, financial condition and results of operations.

Any negative publicity relating to us, our affiliates, Shareholders, Directors, officers, employees, business partners or management, even if unfounded, could adversely affect our reputation and business prospects. Consequently, we may need to devote significant time and incur substantial costs to address such allegations and adverse publicity. Furthermore, any negative publicity concerning us could impair our ability to maintain existing collaboration arrangements or attract new partners, and we may be unable to dispel such negative publicity to the satisfaction of our [**REDACTED**].

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

Severe natural disasters, acts of war or terrorism and epidemics may lead to loss of life, injury, damage to assets and disruption of our business and operations. Any of these factors, together with other events beyond our control, could adversely affect overall business sentiment and the operating environment, create uncertainties in the regions where we conduct business, negatively impact our operations in unpredictable ways and materially and adversely affect our business, financial condition and results of operations. Any such event could severely disrupt our daily operations and may even require temporary closure of our offices and laboratories. In recent years, epidemics have occurred in China and worldwide.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development, manufacturing and commercialization of our drug candidates are heavily regulated and are subject to change.

All jurisdictions in which we intend to develop and commercialize our drug candidates impose detailed and stringent regulations on these activities. The pharmaceutical and biopharmaceutical industries in these jurisdictions are subject to comprehensive government oversight, particularly in relation to product development, approval, manufacturing, marketing, sales and distribution. However, differences in regulatory regimes across jurisdictions create a more complex and costly compliance burden for a company like us that seeks to operate in multiple regions. Changes in government regulations or industry practices, such as relaxed requirements or the introduction of simplified approval procedures that lower barriers to entry for competitors, or stricter requirements that make compliance more difficult, may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, our facilities are subject to both scheduled and unscheduled inspections to monitor regulatory compliance. During the Track Record Period, we passed all inspections and obtained clearance from the relevant authorities in all material respects with respect to the discovery and development of our drug candidates. However, we cannot assure you that we will continue to do so in the future.

The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be materially and substantially affected.

Significant time, effort and expenses are required to bring our drug candidates to market in compliance with the applicable regulatory process, and we cannot assure you that any of our drug candidates will be approved for sale. Our drug candidates could fail to receive regulatory approval in a timely manner for many reasons, including but not limited to failure to begin or complete clinical trials due to disagreements with regulatory authorities and failure to demonstrate that a drug candidate is safe and effective. In addition, the regulatory authorities may require us to provide additional information, including further analyses, reports, data, non-clinical studies and clinical trials, or raise questions regarding the interpretation of data and results to support approval, which may prolong, delay or prevent regulatory approval and commercialization of our drug candidates, or may even lead us to abandon certain development programs. Changes in regulatory requirements, policies and guidance may also occur, and we may be required to amend clinical trial protocols submitted to the competent authorities to reflect these changes. Such resubmissions may affect the costs, timing or successful completion of a clinical trial. Approval procedures vary among jurisdictions and can involve additional product testing, validation and extended administrative review. We cannot assure you that we will be able to meet the regulatory requirements of different jurisdictions or that our drug candidates will be approved for sale in those jurisdictions in a timely manner or at all. Additional time, effort and expense may be required to bring our drug candidates, upon obtaining regulatory approval, to international markets in compliance with the respective regulatory processes, which may adversely affect the commercial prospect of our drug candidates. Furthermore, any delays in completing our clinical trials will increase our costs, slow down the development and approval process for our drug candidates, and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences could materially and adversely affect our business, financial condition and prospects.

Even after we obtain regulatory approval for the marketing and distribution of our drug candidates, our products will continue to remain subject to ongoing and evolving regulatory obligations and continued regulatory review, which may result in significant additional expenses, and we may be subject to penalties or other adverse consequences if we fail to comply with regulatory requirements or experience unanticipated problems with our future approved drugs.

If regulatory authorities approve any of our drug candidates, the manufacturing processes, labeling, packaging, storage, distribution, adverse event reporting, advertising, promotion, sampling, recordkeeping and post-marketing studies for such drug will be subject to extensive and ongoing or additional regulatory requirements relating to pharmacovigilance, including but not limited to continued compliance with GMPs, cGMPs, GCPs as well as potential post-approval studies for the purposes of license renewal. In addition, there remains the possibility of subsequent discovery of previously unknown problems with the drug, including issues involving third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our drug candidates, it may result in, among other things, restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory product recalls. The NMPA, the FDA and comparable regulatory authorities strictly regulate the marketing, labeling, advertising and promotion of drugs that are placed on the market. Drugs may only be promoted for their approved indications and in accordance with the provisions of the approved label. Any government investigation of alleged violations of law could require us to expend substantial time and resources and could result in negative publicity.

We may be directly or indirectly subject to applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in relevant jurisdictions.

Our business operations and our current and future arrangements with clinical site investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers may expose us to broadly applicable fraud, abuse and other healthcare laws and regulations in relevant jurisdictions. These laws may impose restrictions on the business or financial arrangements and relationships through which we conduct our operations, including the manner in which we market, sell and distribute our drug candidates, if approved. Such laws may also affect, among other things, our proposed sales, marketing and educational programs. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will require substantial costs and resources. Regulatory authorities may determine that our business practices fail to comply with current or future statutes, regulations or case law involving applicable fraud, abuse or other healthcare laws and regulations. Defending against any such actions may be costly and time-consuming, and may require significant allocation of management and personnel resources. Therefore, even if we are ultimately successful in defending against such actions, our business operations may still be adversely affected. We are also subject to the United States Foreign Corrupt Practices Act (the "**FCPA**"), notwithstanding that our current business operations are primarily in China, which generally prohibits improper payments to non-U.S. officials for business purposes. As we expand our operations globally, we may become subject to similar anti-fraud, anti-corruption and healthcare compliance laws and regulations in other jurisdictions, the ambiguity of which could expose us to penalties and other adverse consequences.

We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

Laws and regulations relating to data protection, privacy and cross-border data transfer generally require clinical trial sponsors, operators and their personnel to protect the privacy of enrolled subjects and prohibit any unauthorized disclosure of personal information. If such institutions or personnel disclose private or medical records of subjects without their consent, they may be held liable for the damages caused. We routinely receive, collect and store de-identified

codes of subjects enrolled in our clinical trials, and process, transmit and maintain medical treatment records and other personal details of such subjects, together with other personal or sensitive information. Accordingly, we are subject to numerous PRC laws and U.S. federal and state laws governing data protection and privacy. The PRC authorities have promulgated a series of laws and regulations governing various aspects of cybersecurity, data security, personal information and privacy protection. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Regulations Relating to Information Security and Data Privacy."

The Regulations on the Administration of Human Genetic Resources of the PRC (《人類遺傳資源管理條例》) (the "**HGR Regulation**"), promulgated by the State Council in May 2019 and amended in March 2024, stipulate that foreign organizations, individuals and entities established or actually controlled by foreign organizations or individuals are prohibited from collecting, preserving or exporting China's human genetic resources. Such foreign entities may only utilize or be provided with China's human genetic resources after fulfilling the applicable regulatory requirements, including: (i) using China's human genetic resources only in international cooperation with qualified Chinese scientific research institutions, universities, medical institutions or enterprises for scientific research and clinical trials after completion of requisite approval or filing formalities with competent authorities; and (ii) providing China's human genetic resource information only after completion of the required security review, filing and information backup procedures. Furthermore, the Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the "**Biosecurity Law**"), promulgated in October 2020 and effective in April 2021 (as amended in April 2024), reaffirms the regulatory requirements under the HGR Regulation and potentially increases administrative sanctions for violations involving the collection, preservation, export or international cooperation use of China's human genetic resources. The interpretation and implementation of the HGR Regulation and related laws and regulations may vary over time.

In addition, should we enter the U.S. market to conduct clinical trials or engage in product sales and marketing in the future, we will also be subject to Numerous U.S. federal and state laws and regulations governing personal information privacy and security. In particular, regulations promulgated under the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") establish privacy and security standards that limit the use and disclosure of individually identifiable health information ("**protected health information**") and require administrative, physical and technological safeguards to ensure the confidentiality, integrity and availability of electronic protected health information. Determining whether protected health information has been handled in compliance with applicable privacy standards and contractual obligations may involve complex factual and statistical analyses and may be subject to evolving interpretation. Our information technology and infrastructure may be vulnerable to cyberattacks, viruses, employee error, misconduct or other malicious or inadvertent disruptions. Any such breach or interruption could compromise our networks and allow unauthorized access to, manipulation, disclosure, loss or theft of information. Such incidents could give rise to legal claims or proceedings and potential liability under federal or state privacy laws, such as HIPAA or the Health Information Technology for Economic and Clinical Health Act, and result in regulatory penalties. Breach notifications may be required to affected individuals, the U.S. Department of Health and Human Services, and, in the case of significant breaches, to the media or State Attorneys General, which could adversely affect our reputation and competitive position.

Compliance with all applicable laws, regulations, standards and obligations concerning data privacy, security and transfer may impose substantial operational costs or require us to modify our data processing practices. Any leakage or misuse of patient data by our third-party partners may be perceived by patients as our negligence or failure, which could expose us to reputational and legal risks. Furthermore, any changes to applicable laws and regulations could affect our ability to use medical data and expose us to liability for continuing to use data for purposes that were previously permitted. Any actual or perceived failure by us to prevent data breaches, comply with privacy policies or meet privacy-related legal obligations, or any incident resulting in the unauthorized release or transfer of personally identifiable or patient information, could have a material adverse effect on our business, financial condition and results of operations.

Changes in laws and regulations relating to the biopharmaceutical industry as well as political and economic policies may affect our business.

In China, the United States 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. Although most of our drug candidates had not been commercialized as of the Latest Practicable Date, legislative trends and regulatory measures may potentially affect the sales, profitability and prospects of our drug candidates in the future. Moreover, because these laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. Such evolution may result in continuing uncertainty regarding compliance matters and may require us to incur additional costs to revise and update our disclosure and governance practices. Changes in political and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may also affect our business, financial condition, results of operations and prospects.

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.

A substantial portion of our businesses, assets and operations are located in China. Accordingly, our financial condition, results of operations and business prospects are, to a significant extent, subject to the economic, political and legal developments in China, as well as the interpretation and enforcement of laws, rules and regulations in the country. The Chinese economy, political and social conditions differ from those of many other jurisdictions. China's economy has experienced significant growth over the past decades following the implementation of the reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the role of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of China. Any changes in the business environment in China may materially and adversely affect our business, financial condition and results of operations.

Governmental regulations on currency exchange may affect us.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency into or out of China are subject to PRC foreign exchange regulations. Under the existing PRC foreign exchange regulations, approval from, or registration with, the relevant governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenditures, such as the repayment of loans denominated in foreign currencies. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Laws and Regulations relating to Foreign Exchange." We cannot assure you that all our shareholders will at all times comply with the registration procedures required under these regulations, which may affect our business operations and our ability to distribute profits to our shareholders.

There might be uncertainties in effecting service of legal process, enforcing foreign judgments against us or our Directors and senior management personnel in the PRC.

We are a company incorporated under the laws of the PRC, and a significant portion of our assets and the majority of our Directors and senior management are located in the PRC. As a result, it may be difficult for [**REDACTED**] to directly effect service of process within the United States or elsewhere outside the PRC upon us or most of our Directors and senior management in the PRC. Moreover, judgments rendered in jurisdictions with which the PRC does not have treaties providing for the reciprocal recognition and enforcement of judicial rulings and awards may not be recognized or enforced in the PRC.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares; an active [REDACTED] for our H Shares may not develop and the [REDACTED] and [REDACTED] volume of our H Shares may decline or become volatile, which could lead to substantial losses to [REDACTED].

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. There can be no assurance that an active [**REDACTED**] for our H Shares will develop or be maintained following the completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and may not be indicative of the price at which our H Shares will [**REDACTED**] following the completion of the [**REDACTED**]. The [**REDACTED**] of our H Shares may decline below the [**REDACTED**] at any time after the completion of the [**REDACTED**]. We have applied to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares. A [**REDACTED**] on the Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] for our H Shares will develop, or if it develops, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of our H Shares will not decrease following the [**REDACTED**]. The [**REDACTED**] and [**REDACTED**] of our H Shares may be volatile and may fluctuate significantly in response to factors beyond our control, including but not limited to general market conditions of the securities markets in Hong Kong, China, the United States and other regions, as well as company-specific reasons. In particular, the performance and price fluctuations of other companies with business operations primarily located in China that have listed their securities in Hong Kong may affect the volatility of the [**REDACTED**] and [**REDACTED**] of our H Shares.

Future sales or perceived sales of our H Shares in the [REDACTED] by major Shareholders following the [REDACTED] could materially and adversely affect the price of our H Shares.

Future sales or perceived sales of our H Shares by existing Shareholders following the [**REDACTED**] could result in a significant decline in the prevailing [**REDACTED**] of our H Shares. Only a limited number of the H Shares currently outstanding will be available for sale or issuance immediately after the [**REDACTED**] due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, once these restrictions expire or are waived, future sales of substantial amounts of our H Shares in the [**REDACTED**], or the perception that such sales may occur, could materially reduce the prevailing [**REDACTED**] of our H Shares and adversely affect our ability to raise equity capital in the future.

Potential [REDACTED] will experience immediate and substantial [REDACTED] as a result of the [REDACTED] and will experience further [REDACTED] if we issue additional H Shares or other equity securities in the future.

Potential [**REDACTED**] will pay a price per H Share in the [**REDACTED**] that substantially exceeds the per H Share value of our net tangible assets. As a result, [**REDACTED**] of our H Shares in the [**REDACTED**] will experience a substantial immediate [**REDACTED**] in [**REDACTED**] net tangible assets, while our existing Shareholders will enjoy an increase in the [**REDACTED**] adjusted net tangible assets per Share attributable to their Shares. Accordingly, if we were to distribute our net tangible assets to Shareholders immediately following the [**REDACTED**], potential [**REDACTED**] would receive an amount less than the price they paid for their H Shares.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

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. Any future determination to pay dividends will be made at the shareholders' meeting and may take into account a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may

consider relevant. In addition, regulations in the PRC currently permit the payment of dividends by us only out of our accumulated distributable after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with our Articles of Association and the accounting standards and regulations in China. As a result, we cannot assure you that we will make any dividend payments on our H Shares in the future. See "Financial Information — Dividend." Accordingly, you should not rely on an [**REDACTED**] in our H Shares as a source of any future dividend income.

The industry facts, statistics and forecasts in this document that were obtained from various official government sources have not been independently verified.

This document, in particular the section headed "Industry Overview," contains information and statistics relating to the healthcare market derived from third-party reports, whether commissioned by us or publicly accessible, as well as from other publicly available sources. Information and statistics obtained from official government sources have not been independently verified by us, the Sole Sponsor, the [**REDACTED**], or by any of our or their respective directors, officers or representatives, or by any other party involved in the [**REDACTED**], other than Frost & Sullivan, and no representation is made as to their accuracy. The collection methods for such information may be flawed or ineffective, or there may be discrepancies between published information and actual market practices, which could result in the statistics being inaccurate. [**REDACTED**] should therefore not place undue reliance on such information. In addition, we cannot assure [**REDACTED**] that such information has been presented or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, [**REDACTED**] should carefully consider the importance to be attached to such information or statistics.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology, including, without limitation, "believe," "expect," "estimate," and other similar expressions. [**REDACTED**] are cautioned that reliance on any forward-looking statement involves risks and uncertainties, and that any or all of the underlying assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and such forward-looking statements should be considered in the context of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise any forward-looking statements in this document, whether as a result of new information, future events, or otherwise. Accordingly, [**REDACTED**] should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified in their entirety by reference to this cautionary statement.

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 [**REDACTED**] not to rely on any information contained in press articles or other media regarding us or the [**REDACTED**]. Prior to the publication of this document, there has been unauthorized press and media coverage concerning us including references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations, and other information. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication. To the extent that any such information is inconsistent with or conflicts with the information contained in this document, we disclaim responsibility for it, and [**REDACTED**] should not rely on such information.