

## FINANCIAL INFORMATION

*The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountants’ Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with the HKFRS Accounting Standards, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section.*

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

*Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.*

### OVERVIEW

We are a commercial-stage biotechnology company focused on oncology and autoimmune diseases, dedicated to translating scientific discoveries into innovative and accessible therapies for patients. Harnessing innovation as our edge and commercialization as our engine, we aim to become a sustainable and fully integrated biopharmaceutical company with end-to-end life-cycle capabilities, transforming scientific advances into meaningful patient benefits. Within these therapeutic areas, we strategically focus on developing oral small molecule drug candidates targeting a broader and differentiated scope of indications than our competitors to address significant prevalence in hematologic malignancies and autoimmune diseases. Enabled by our highly selective small-molecule drug discovery platform and our molecular glue discovery platform, we have established a pipeline that includes an NMPA-approved drug candidate (bezacitinib), one registrational clinical stage candidate (CX1440), and five preclinical stage candidates (CX03, CX12, CX13, CX15 and CX16).

We obtained NDA approval for bezacitinib for the treatment of MF in April 2026, but have not generated any revenue from product sales during the Track Record Period. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred loss for the year/period of RMB88.4 million, RMB298.5 million, RMB33.3 million and RMB80.2 million, respectively. Such losses primarily resulted from (i) our operating expenses, which equal to the sum of selling and marketing expenses, research and development costs and administrative expenses, and (ii) changes in fair value of redemption liabilities on equity shares.

We expect to incur significant expenses for at least the next several years as we continue to advance our clinical development and preclinical research plans, and to prepare for the commercialization of our Core Products. Subsequent to the [REDACTED], our financial performance may fluctuate from period to period due to, among other factors, the development status of our drug candidates, regulatory approval timeline, and commercialization of our drug candidates after approval.

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### BASIS OF PREPARATION

Our historical financial information has been prepared based on the accounting policies set out in Note 2.3 to the Accountants’ Report contained in the Appendix I to this document which conform with all applicable HKFRS Accounting Standards, which collectively includes all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The HKICPA has issued a number of new and amended HKFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, our Group has adopted all applicable new and amended HKFRS Accounting Standards during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The historical financial information are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

Our business and results of operations depend on our ability to successfully advance our drug development programs, demonstrate favorable safety and efficacy clinical trial results, obtain the requisite regulatory approvals, secure adequate manufacturing capacity, and commercialize our products in targeted markets as planned. We have built a differentiated pipeline in small molecule field across hematologic malignancies and autoimmune diseases, including two clinical-stage candidates, namely bezacitinib and CX1440, and five preclinical-stage candidates, namely CX03, CX12, CX13, CX15 and CX16. See “Business — Our Pipeline” for more information on the development status of our drug candidates.

We have not generated any revenue from the product sales since inception. Once our drug candidates are commercialized, our business and results of operations will be driven by the market acceptance and supply of our commercialized products. To successfully develop and launch our drug candidates, we intend to continue advancing the R&D and commercialization of our Core Products, bezacitinib and CX1440, at a rapid pace, and the preclinical and clinical development of our pipeline assets, and strengthening our technology platform to continuously support our R&D activities. For more details, see “Business — Our Strategies.”

#### **Our Operating Expenses Structure**

Our results of operations are significantly affected by our operating expense structure, which primarily consists of research and development costs and administrative expenses.

In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development costs amounted to RMB64.5 million, RMB86.5 million, RMB34.1 million and RMB44.0 million, respectively. Our research and development costs increased during the Track Record Period, driven by the accelerated progress of our drug candidates toward clinical development, especially the advancements of our Core Products, bezacitinib and CX1440. We expect our research and development costs to continue to increase for the foreseeable future as we advance our drug candidates to maximize their clinical and commercial potential, as well as to explore and advance the clinical development of our drug candidates for the treatment of additional indications.

During the Track Record Period, our administrative expenses primarily consisted of salary and welfare, share-based payment expenses, depreciation and amortization, professional service fees, business entertainment expenses, office expenses, and others. Our administrative expenses amounted to RMB12.2 million, RMB111.2 million, RMB6.2 million and RMB22.7 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our administrative expenses increased during the Track Record Period, primarily due to increases in our share-based payment expenses and [REDACTED] expenses.

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We expect our expense structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials of our drug candidates continue to progress and as we gradually bring our pipeline products to commercialization, we expect to incur additional costs in relation to various aspects other than research and development, such as manufacturing, regulatory affairs, and sales and marketing efforts, among other things. We also anticipate increasing legal, compliance, accounting, insurance, and investor and public relations expenses associated with being a [REDACTED] company in Hong Kong.

### **Funding for Our Operations**

During the Track Record Period, we funded our operations primarily through equity financing. Going forward, in the event of successful commercialization of one or more of our drug candidates, we expect to primarily fund our operations with cash and cash equivalents, bank loans, as well as funds generated from sales of our commercialized drug products. However, with the continuing expansion of our business and product pipeline, we may require further funding through public or private offerings, debt financing, or other funding sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

### **MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. We have not changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or estimates. Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. When reviewing our consolidated financial statements, you should consider (i) our material accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the (i) material accounting policy information in relation to revenue recognition, research and development costs, fair value measurement, impairment of financial and non-financial assets, as detailed in Note 2.3 of the Accountants' Report in Appendix I to this document and (ii) significant accounting judgments and estimates, as set forth in details in Note 3 to the Accountants' Report in Appendix I to this document are critical and/or involve the most important estimates and judgments we used in preparing our financial statements.

### ***Impairment of Non-Financial Assets***

We assess whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of each reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. We assessed that there was no impairment indicator identified at the end of each of the Track Record Period, given that (i) such assets of us were neither obsolete nor physically damaged, and (ii) our operations and pipelines were making progress as planned and the losses incurred for each period did not exceed the budgets.

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### DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

|                                                                               | Year Ended December 31, |                  | Six Months Ended June 30, |                 |
|-------------------------------------------------------------------------------|-------------------------|------------------|---------------------------|-----------------|
|                                                                               | 2024                    | 2025             | 2025                      | 2026            |
|                                                                               | (RMB'000)               | (RMB'000)        | (RMB'000)<br>(unaudited)  | (RMB'000)       |
| <b>Revenue</b> . . . . .                                                      | <b>943</b>              | <b>509</b>       | —                         | —               |
| Cost of sales . . . . .                                                       | —                       | —                | —                         | —               |
| <b>Gross profit</b> . . . . .                                                 | <b>943</b>              | <b>509</b>       | —                         | —               |
| Other income and gains . . . . .                                              | 16,194                  | 11,451           | 10,149                    | 1,488           |
| Selling and marketing expenses                                                | —                       | (728)            | —                         | (4,215)         |
| Research and development costs . . . . .                                      | (64,528)                | (86,500)         | (34,147)                  | (43,977)        |
| Administrative expenses . . . . .                                             | (12,162)                | (111,185)        | (6,177)                   | (22,721)        |
| Changes in fair value of redemption liabilities on equity shares . . . . .    | (27,725)                | (111,513)        | (2,813)                   | (10,675)        |
| Reversal of impairment/(impairment) losses on financial assets, net . . . . . | 18                      | (23)             | (24)                      | (5)             |
| Finance costs . . . . .                                                       | (1,184)                 | (534)            | (224)                     | (50)            |
| <b>Loss before tax</b> . . . . .                                              | <b>(88,444)</b>         | <b>(298,523)</b> | <b>(33,236)</b>           | <b>(80,155)</b> |
| Income tax expense . . . . .                                                  | —                       | —                | (33)                      | —               |
| <b>Loss and total comprehensive loss for the year/period</b> . . . . .        | <b>(88,444)</b>         | <b>(298,523)</b> | <b>(33,269)</b>           | <b>(80,155)</b> |
| Attributable to:                                                              |                         |                  |                           |                 |
| Owners of the parent . . . . .                                                | (88,444)                | (298,523)        | (33,269)                  | (80,155)        |

#### Revenue

During the Track Record Period, our revenue was primarily derived from technology transfer related to a preclinical program. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our revenue was RMB0.9 million, RMB0.5 million, nil and nil, respectively.

#### Cost of Sales

During the Track Record Period, our cost of sales was nil as our revenue was primarily recognized from the technology transfer related to a preclinical program. The costs incurred and directly associated with our obligations under the technology transfer have been recorded in research and development costs in our consolidated statements of profit or loss and other comprehensive income before the Track Record Period, and therefore there was no cost of sales recognized during the Track Record Period.

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### Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB0.9 million and RMB0.5 million in 2024 and 2025, respectively, primarily driven by revenue generated from the technology transfer, which involved cost of sales of nil. As a result, our gross profit margin was 100.0% and 100.0% in 2024 and 2025, respectively. In the six months ended June 30, 2025 and 2026, as we did not generate any revenue and did not incur any cost of sales, our gross profit for the corresponding period was nil and nil, and our gross profit margins were not applicable.

### Other Income and Gains

During the Track Record Period, our other income mainly consisted of (i) government grants income that we received from the local government authorities to support our research and development activities, which had no unfulfilled conditions or contingencies attached and were non-recurring in nature, (ii) bank interest income, and (iii) investment income from financial assets at FVTPL. Our gains represented fair value gains on financial assets at FVTPL. The government grants received by us were primarily utilized to support our daily operations, particularly our drug research and development activities. The following table sets forth a breakdown of our other income and gains for the periods indicated:

|                                                                  | Year Ended December 31, |                     |                      |                     | Six Months Ended June 30, |                     |                     |                     |
|------------------------------------------------------------------|-------------------------|---------------------|----------------------|---------------------|---------------------------|---------------------|---------------------|---------------------|
|                                                                  | 2024                    |                     | 2025                 |                     | 2025                      |                     | 2026                |                     |
|                                                                  | (RMB'000)               | %                   | (RMB'000)            | %                   | (RMB'000)                 | %                   | (RMB'000)           | %                   |
|                                                                  | <i>(unaudited)</i>      |                     |                      |                     |                           |                     |                     |                     |
| <b>Other income:</b>                                             |                         |                     |                      |                     |                           |                     |                     |                     |
| Government grants . . . . .                                      | 14,847                  | 91.6                | 9,365                | 81.7                | 9,365                     | 92.3                | 64                  | 4.3                 |
| Bank interest income . . . . .                                   | 552                     | 3.4                 | 328                  | 2.9                 | 205                       | 2.0                 | 49                  | 3.3                 |
| Investment income from<br>financial assets at<br>FVTPL . . . . . | 721                     | 4.5                 | 1,511                | 13.2                | 500                       | 4.9                 | 1,076               | 72.3                |
| Total other income . . . . .                                     | <u>16,120</u>           | <u>99.5</u>         | <u>11,204</u>        | <u>97.8</u>         | <u>10,070</u>             | <u>99.2</u>         | <u>1,189</u>        | <u>79.9</u>         |
| <b>Gains:</b>                                                    |                         |                     |                      |                     |                           |                     |                     |                     |
| Fair value gains on<br>financial assets at<br>FVTPL . . . . .    | 74                      | 0.5                 | 247                  | 2.2                 | 79                        | 0.8                 | 299                 | 20.1                |
| <b>Total . . . . .</b>                                           | <u><b>16,194</b></u>    | <u><b>100.0</b></u> | <u><b>11,451</b></u> | <u><b>100.0</b></u> | <u><b>10,149</b></u>      | <u><b>100.0</b></u> | <u><b>1,488</b></u> | <u><b>100.0</b></u> |

### Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) labor costs, (ii) consulting service expenses, and (iii) others. We recorded selling and marketing expenses of nil, RMB0.7 million, nil and RMB4.2 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

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### Research and Development Costs

During the Track Record Period, our research and development costs primarily consisted of (i) labor costs, (ii) outsourcing and professional consulting fees, primarily relating to services provided by CROs and CDMOs, (iii) testing and experiment costs, (iv) depreciation and utilities, (v) cost of materials, and (vi) others, which mainly represented miscellaneous operating expenses incurred in the ordinary course of business, including travel, transportation, insurance and warehousing expenses. The following table sets forth a breakdown of our research and development costs in absolute amounts and as percentages of the total research and development costs for the periods indicated:

|                                                               | Year Ended December 31, |              |               |              | Six Months Ended June 30, |              |               |              |
|---------------------------------------------------------------|-------------------------|--------------|---------------|--------------|---------------------------|--------------|---------------|--------------|
|                                                               | 2024                    |              | 2025          |              | 2025                      |              | 2026          |              |
|                                                               | (RMB'000)               | %            | (RMB'000)     | %            | (RMB'000)                 | %            | (RMB'000)     | %            |
|                                                               |                         |              |               |              | <i>(unaudited)</i>        |              |               |              |
| Labor costs . . . . .                                         | 32,413                  | 50.2         | 33,865        | 39.1         | 15,936                    | 46.6         | 20,007        | 45.5         |
| Outsourcing and professional consulting fees . . . . .        | 15,032                  | 23.3         | 19,855        | 23.0         | 7,919                     | 23.2         | 12,101        | 27.5         |
| – CRO service fees and early-stage research costs . . . . .   | 11,681                  | 18.1         | 10,537        | 12.2         | 3,837                     | 11.2         | 9,460         | 21.5         |
| – CDMO service fees . . .                                     | 791                     | 1.2          | 6,112         | 7.1          | 3,311                     | 9.7          | 1,471         | 3.3          |
| – Equipment maintenance and validation service fees . . . . . | 2,560                   | 4.0          | 3,206         | 3.7          | 771                       | 2.3          | 1,170         | 2.7          |
| Testing and experiment costs . . . . .                        | 8,458                   | 13.1         | 15,456        | 17.9         | 6,834                     | 20.0         | 8,490         | 19.3         |
| Share-based payment expenses . . . . .                        | –                       | –            | 9,030         | 10.4         | –                         | –            | –             | –            |
| Depreciation and utilities .                                  | 3,912                   | 6.1          | 2,497         | 2.9          | 1,570                     | 4.6          | 846           | 1.9          |
| Cost of materials . . . . .                                   | 1,620                   | 2.5          | 2,082         | 2.4          | 462                       | 1.4          | 341           | 0.8          |
| Others . . . . .                                              | 3,093                   | 4.8          | 3,715         | 4.3          | 1,426                     | 4.2          | 2,192         | 5.0          |
| <b>Total . . . . .</b>                                        | <b>64,528</b>           | <b>100.0</b> | <b>86,500</b> | <b>100.0</b> | <b>34,147</b>             | <b>100.0</b> | <b>43,977</b> | <b>100.0</b> |

In 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development costs incurred for our Core Products, bezacitinib and CX1440, were approximately RMB54.0 million, RMB68.6 million, RMB28.7 million and RMB33.1 million, respectively, accounting for 70.3%, 34.6%, 71.2% and 46.7% of our total operating expenses (including selling and marketing expenses, research and development costs and administrative expenses) for the corresponding periods.

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### Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) salary and welfare, (ii) share-based payment expenses, (iii) depreciation and amortization, (iv) professional service fees, (v) business entertainment expenses, (vi) office expenses, and (vii) others, which mainly include taxes and surcharges and other miscellaneous expenses. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the periods indicated:

|                                           | Year Ended December 31, |              |                |              | Six Months Ended June 30, |              |               |              |
|-------------------------------------------|-------------------------|--------------|----------------|--------------|---------------------------|--------------|---------------|--------------|
|                                           | 2024                    |              | 2025           |              | 2025                      |              | 2026          |              |
|                                           | (RMB'000)               | %            | (RMB'000)      | %            | (RMB'000)                 | %            | (RMB'000)     | %            |
|                                           |                         |              |                |              | (unaudited)               |              |               |              |
| Salary and welfare . . . . .              | 7,497                   | 61.7         | 12,678         | 11.4         | 4,262                     | 69.0         | 11,498        | 50.5         |
| Share-based payment expenses . . . . .    | —                       | —            | 84,052         | 75.6         | —                         | —            | —             | —            |
| [REDACTED] expenses . . . . .             | [REDACTED]              | [REDACTED]   | [REDACTED]     | [REDACTED]   | [REDACTED]                | [REDACTED]   | [REDACTED]    | [REDACTED]   |
| Depreciation and amortization . . . . .   | 2,228                   | 18.3         | 1,493          | 1.3          | 769                       | 12.5         | 658           | 2.9          |
| Professional service fees . . . . .       | 668                     | 5.5          | 953            | 0.9          | 292                       | 4.7          | 330           | 1.5          |
| Business entertainment expenses . . . . . | 423                     | 3.5          | 1,538          | 1.4          | 315                       | 5.1          | 1,317         | 5.8          |
| Office expenses . . . . .                 | 152                     | 1.2          | 197            | 0.2          | 63                        | 1.0          | 90            | 0.4          |
| Others . . . . .                          | 1,194                   | 9.8          | 1,435          | 1.3          | 476                       | 7.7          | 814           | 3.6          |
| <b>Total . . . . .</b>                    | <b>12,162</b>           | <b>100.0</b> | <b>111,185</b> | <b>100.0</b> | <b>6,177</b>              | <b>100.0</b> | <b>22,721</b> | <b>100.0</b> |

### Change in Fair Value of Redemption Liabilities on Equity Shares

During the Track Record Period, our change in fair value of redemption liabilities on equity shares represented losses from change in fair value of instruments with special rights we issued to our Pre-[REDACTED] investors. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our loss from change in fair value of redemption liabilities on equity shares amounted to RMB27.7 million, RMB111.5 million, RMB2.8 million and RMB10.7 million, respectively. These instruments with special rights we issued to our Pre-[REDACTED] investors will be automatically converted into ordinary shares upon the [REDACTED], and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the [REDACTED]. For further details, see “History, Development and Corporate Structure” and Note 21 to the Accountants’ Report set out in Appendix I to this document.

### Reversal of Impairment/(Impairment) Losses on Financial Assets, Net

During the Track Record Period, our net reversal of impairment losses or impairment losses on financial assets represents the net reversal or recognition of expected credit losses on our other receivables. We recorded reversal of impairment losses on financial assets of RMB18 thousand in 2024, while we recorded impairment losses on financial assets of RMB23 thousand, RMB24 thousand and RMB5 thousand in 2025 and the six months ended June 30, 2025 and 2026, respectively.

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### Finance Costs

During the Track Record Period, our finance costs were in relation to our interest on bank borrowings and lease liabilities, and transaction cost on issue of redemption liabilities on equity shares. The following table sets forth a breakdown of our finance costs for the periods indicated:

|                                                                                | Year Ended December 31, |              |            |              | Six Months Ended June 30, |              |           |              |
|--------------------------------------------------------------------------------|-------------------------|--------------|------------|--------------|---------------------------|--------------|-----------|--------------|
|                                                                                | 2024                    |              | 2025       |              | 2025                      |              | 2026      |              |
|                                                                                | (RMB'000)               | %            | (RMB'000)  | %            | (RMB'000)                 | %            | (RMB'000) | %            |
|                                                                                |                         |              |            |              | (unaudited)               |              |           |              |
| Interest on bank borrowings . . . . .                                          | 146                     | 12.4         | –          | –            | –                         | –            | –         | –            |
| Interest on lease liabilities .                                                | 94                      | 7.9          | 34         | 6.4          | 24                        | 10.7         | 50        | 100.0        |
| Transaction cost on issue of redemption liabilities on equity shares . . . . . | 944                     | 79.7         | 500        | 93.6         | 200                       | 89.3         | –         | –            |
| <b>Total . . . . .</b>                                                         | <b>1,184</b>            | <b>100.0</b> | <b>534</b> | <b>100.0</b> | <b>224</b>                | <b>100.0</b> | <b>50</b> | <b>100.0</b> |

### Income Tax

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate. We incurred income tax expense of nil, nil, RMB33 thousand and nil in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC and we are not aware of any outstanding or potential disputes with such tax authorities.

### Chinese Mainland

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the EIT rate of our Company and our PRC subsidiaries is 25% during the Track Record Period.

### Loss for the Year/Period

As a result of the foregoing, we recorded loss for the year/period 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.

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

### Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

#### Revenue

We recorded revenue of nil and nil in the six months ended June 30, 2025 and 2026, respectively.

#### Cost of Sales

We incurred cost of sales of nil and nil in the six months ended June 30, 2025 and 2026, respectively.

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### ***Gross Profit and Gross Profit Margin***

As a result of the foregoing, we recorded a gross profit of nil and nil in the six months ended June 30, 2025 and 2026, respectively, and our gross profit margins were not applicable.

### ***Other Income and Gains***

Our other income and gains decreased from RMB10.1 million in the six months ended June 30, 2025 to RMB1.5 million in the six months ended June 30, 2026, primarily due to a decrease of RMB9.3 million in government grants.

### ***Selling and Marketing Expenses***

Our selling and marketing expenses increased from nil in the six months ended June 30, 2025 to RMB4.2 million in the six months ended June 30, 2026, primarily due to our preparation for the commercialization of bezacitinib.

### ***Research and Development Costs***

Our research and development costs increased from RMB34.1 million in the six months ended June 30, 2025 to RMB44.0 million in the six months ended June 30, 2026, primarily due to the clinical advancement of CX1440 and bezacitinib, including the Phase I/II trial of CX1440 in patients with CU, the Phase III trial of CX1440 in patients with ITP, and the Phase III trial of bezacitinib in patients with PV.

### ***Administrative Expenses***

Our administrative expenses increased from RMB6.2 million in the six months ended June 30, 2025 to RMB22.7 million in the six months ended June 30, 2026, primarily due to (i) an increase of RMB[REDACTED] in [REDACTED] expenses in relation with our proposed [REDACTED], and (ii) an increase of RMB7.2 million in salary and welfare, resulting from the expansion of our team and the payment of employee bonuses.

### ***Changes in Fair Value of Redemption Liabilities on Equity Shares***

Our losses in fair value of redemption liabilities on equity shares increased from RMB2.8 million in the six months ended June 30, 2025 to RMB10.7 million in the six months ended June 30, 2026, primarily due to the increase in value of our Company.

### ***Reversal of Impairment/(Impairment) Losses on Financial Assets, Net***

We recorded impairment losses on financial assets of RMB24 thousand and RMB5 thousand in the six months ended June 30, 2025 and 2026, respectively, primarily due to impairment provisions made on other receivables.

### ***Finance Costs***

Our finance costs decreased from RMB224 thousand in the six months ended June 30, 2025 to RMB50 thousand in the six months ended June 30, 2026, primarily due to a decrease of RMB200 thousand in transaction cost on issue of redemption liabilities on equity shares, which mainly related to financial advisory fees incurred as part of our financing activities.

### ***Income Tax Expense***

We recorded income tax expense of RMB33 thousand and nil in the six months ended June 30, 2025 and 2026, respectively.

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### *Loss for the Period*

As a result of the foregoing, we recorded a loss of RMB33.3 million and RMB80.2 million in the six months ended June 30, 2025 and 2026, respectively.

### **Year Ended December 31, 2025 Compared to Year Ended December 31, 2024**

#### *Revenue*

Our revenue decreased from RMB0.9 million in 2024 to RMB0.5 million in 2025, primarily due to our revenue from technology transfer related to a preclinical program.

#### *Cost of Sales*

We incurred cost of sales of nil and nil in 2024 and 2025, respectively.

#### *Gross Profit and Gross Profit Margin*

As a result of the foregoing, we recorded a gross profit of RMB0.9 million and RMB0.5 million in 2024 and 2025, respectively, and a gross profit margin of 100.0% and 100% in the same year.

#### *Other Income and Gains*

Our other income and gains decreased from RMB16.2 million in 2024 to RMB11.5 million in 2025, primarily due to a decrease of RMB5.5 million in government grants.

#### *Selling and Marketing Expenses*

Our selling and marketing expenses increased from nil in 2024 to RMB0.7 million in 2025, primarily due to our preparation for the commercialization of bezacitinib.

#### *Research and Development Costs*

Our research and development costs increased from RMB64.5 million in 2024 to RMB86.5 million in 2025, primarily due to (i) an increase of RMB9.0 million in share-based payment expenses, (ii) an increase of RMB7.0 million in testing and experimental costs, and (iii) an increase of RMB4.8 million in outsourcing and professional consulting fees. The foregoing increases were mainly attributable to our continued efforts to advance clinical development of bezacitinib and CX1440, with more patients enrolled in our clinical trials.

#### *Administrative Expenses*

Our administrative expenses increased from RMB12.2 million in 2024 to RMB111.2 million in 2025, primarily due to (i) an increase of RMB84.1 million in share-based payment expenses, and (ii) an increase of RMB[REDACTED] in [REDACTED] expenses.

#### *Changes in Fair Value of Redemption Liabilities on Equity Shares*

Our losses in fair value of redemption liabilities on equity shares increased from RMB27.7 million in 2024 to RMB111.5 million in 2025, primarily due to the increase in value of our Company.

## FINANCIAL INFORMATION

### *Reversal of Impairment/(Impairment) Losses on Financial Assets, Net*

We recorded reversal of impairment losses on financial assets of RMB18 thousand in 2024, primarily due to the recovery of certain previously impaired receivables. We recorded impairment losses on financial assets of RMB23 thousand in 2025, primarily due to impairment provisions made on other receivables.

### *Finance Costs*

Our finance costs decreased from RMB1.2 million in 2024 to RMB0.5 million in 2025, primarily due to a decrease of RMB0.4 million in transaction cost on issue of redemption liabilities on equity shares, which mainly related to financial advisory fees incurred as part of our financing activities.

### *Income Tax Expense*

Our income tax expense remained stable at nil and nil in 2024 and 2025, respectively.

### *Loss for the Year*

As a result of the foregoing, we recorded a loss of RMB88.4 million and RMB298.5 million in 2024 and 2025, respectively.

## DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth a summary of our consolidated statements of financial position as of the dates indicated:

|                                                           | As of December 31, |                  | As of June 30,   |
|-----------------------------------------------------------|--------------------|------------------|------------------|
|                                                           | 2024               | 2025             | 2026             |
|                                                           | (RMB'000)          | (RMB'000)        | (RMB'000)        |
| <b>Non-current assets</b>                                 |                    |                  |                  |
| Property, plant and equipment . . . . .                   | 15,366             | 53,172           | 68,170           |
| Intangible assets . . . . .                               | 187                | 107              | 144              |
| Right-of-use assets . . . . .                             | 18,416             | 16,680           | 20,830           |
| Restricted bank deposits . . . . .                        | 7,000              | 7,000            | 7,000            |
| Prepayments, other receivables and other assets . . . . . | 15,091             | 18,751           | 22,208           |
| <b>Total non-current assets . . . . .</b>                 | <b>56,060</b>      | <b>95,710</b>    | <b>118,352</b>   |
| <b>Current assets</b>                                     |                    |                  |                  |
| Financial assets at FVTPL . . . . .                       | 40,074             | 80,247           | 85,495           |
| Prepayments, other receivables and other assets . . . . . | 2,186              | 11,878           | 12,566           |
| Restricted bank deposits . . . . .                        | 1,554              | 2,677            | 2,677            |
| Cash and cash equivalents . . . . .                       | 68,724             | 190,321          | 97,525           |
| <b>Total current assets . . . . .</b>                     | <b>112,538</b>     | <b>285,123</b>   | <b>198,263</b>   |
| <b>Current liabilities</b>                                |                    |                  |                  |
| Trade payables . . . . .                                  | 5,749              | 5,247            | 5,694            |
| Other payables and accruals . . . . .                     | 12,800             | 30,458           | 30,586           |
| Redemption liabilities on equity shares . .               | 556,135            | 954,648          | 965,323          |
| Contract liabilities . . . . .                            | 4,245              | 3,736            | 3,736            |
| Lease liabilities . . . . .                               | 1,100              | —                | 1,166            |
| <b>Total current liabilities . . . . .</b>                | <b>580,029</b>     | <b>994,089</b>   | <b>1,006,505</b> |
| <b>Net current liabilities . . . . .</b>                  | <b>(467,491)</b>   | <b>(708,966)</b> | <b>(808,242)</b> |

## FINANCIAL INFORMATION

|                                                | As of December 31, |                  | As of June 30,   |
|------------------------------------------------|--------------------|------------------|------------------|
|                                                | 2024               | 2025             | 2026             |
|                                                | (RMB'000)          | (RMB'000)        | (RMB'000)        |
| <b>Non-current liabilities</b>                 |                    |                  |                  |
| Lease liabilities . . . . .                    | –                  | –                | 3,031            |
| Other payables and accruals . . . . .          | –                  | 1,231            | 1,721            |
| <b>Total non-current liabilities</b> . . . . . | <b>–</b>           | <b>1,231</b>     | <b>4,752</b>     |
| <b>Net liabilities</b> . . . . .               | <b>(411,431)</b>   | <b>(614,487)</b> | <b>(694,642)</b> |
| <b>Deficiency in assets</b>                    |                    |                  |                  |
| Equity attributable to owners of the parent    |                    |                  |                  |
| Paid-in capital . . . . .                      | 41,356             | –                | –                |
| Share capital . . . . .                        | –                  | 50,839           | 50,839           |
| Reserves . . . . .                             | (452,787)          | (665,326)        | (745,481)        |
| <b>Total deficits</b> . . . . .                | <b>(411,431)</b>   | <b>(614,487)</b> | <b>(694,642)</b> |

### Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consisted of machinery, electronic equipment, other equipment, leasehold improvements and construction in progress. Our property, plant and equipment increased from RMB15.4 million as of December 31, 2024 to RMB53.2 million as of December 31, 2025, and further to RMB68.2 million as of June 30, 2026, primarily due to increases in our construction in progress, which was mainly in relation with our manufacturing facilities.

### Right-of-use Assets

During the Track Record Period, our right-of-use assets represent our office premises and our leasehold land. Our right-of-use assets slightly decreased RMB18.4 million as of December 31, 2024 to RMB16.7 million as of December 31, 2025, primarily due to depreciation of our office premises. Our right-of-use assets increased from RMB16.7 million as of December 31, 2025 to RMB20.8 million as of June 30, 2026, primarily due to the addition of new right-of-use assets.

### Prepayments, Other Receivables and Other Assets

During the Track Record Period, our prepayments, other receivables and other assets primarily included (i) prepayments, (ii) other receivables, (iii) deferred [REDACTED] expenses and (iv) value-added tax recoverable. The following table sets forth a breakdown of prepayments, other receivables and other assets as of the dates indicated:

|                                        | As of December 31, |               | As of June 30, |
|----------------------------------------|--------------------|---------------|----------------|
|                                        | 2024               | 2025          | 2026           |
|                                        | (RMB'000)          | (RMB'000)     | (RMB'000)      |
| <b>Current:</b>                        |                    |               |                |
| Prepayments . . . . .                  | 2,107              | 7,159         | 7,276          |
| Other receivables . . . . .            | 83                 | 508           | 574            |
| Deferred [REDACTED] expenses . . . . . | [REDACTED]         | [REDACTED]    | [REDACTED]     |
| Value-added tax recoverable . . . . .  | –                  | 2,033         | –              |
| Impairment . . . . .                   | (4)                | (27)          | (32)           |
| <b>Subtotal</b> . . . . .              | <b>2,186</b>       | <b>11,878</b> | <b>12,566</b>  |

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|                                       | As of December 31, |               | As of June 30, |
|---------------------------------------|--------------------|---------------|----------------|
|                                       | 2024               | 2025          | 2026           |
|                                       | (RMB'000)          | (RMB'000)     | (RMB'000)      |
| <b>Non-current:</b>                   |                    |               |                |
| Value-added tax recoverable . . . . . | 15,091             | 18,751        | 22,208         |
| Subtotal . . . . .                    | 15,091             | 18,751        | 22,208         |
| <b>Total . . . . .</b>                | <b>17,277</b>      | <b>30,629</b> | <b>34,774</b>  |

Our current portion of prepayments, other receivables and other assets increased from RMB2.2 million as of December 31, 2024 to RMB11.9 million as of December 31, 2025, primarily due to an increase of RMB5.1 million in prepayments for our clinical trials. Our current portion of prepayments, other receivables and other assets further increased to RMB12.6 million as of June 30, 2026, primarily due to an increase of RMB[REDACTED] in deferred [REDACTED] expenses in relation to our proposed [REDACTED].

Our non-current portion of prepayments, other receivables and other assets increased from RMB15.1 million as of December 31, 2024 to RMB18.8 million as of December 31, 2025, and further to RMB22.2 million as of June 30, 2026, primarily due to increases in value-added tax recoverable, resulting from deductible input value-added tax.

### Financial Assets at FVTPL

During the Track Record Period, our financial assets at FVTPL primarily represented our investment in wealth management products. We had financial assets at FVTPL of RMB40.1 million, RMB80.2 million and RMB85.5 million as of December 31, 2024, December 31, 2025 and June 30, 2026, respectively.

During the Track Record Period, as part of our treasury management, we only invested in low-risk principal-protected structured deposits to better utilize excess cash when our cash sufficiently covered our ordinary course of business. Such investments were conducted on a prudent basis with controllable risks. The proposed investments were subject to internal financial review and approval by our general manager prior to execution. We have adopted internal policies to further standardize the scope of permitted investments, approval authorities, internal control procedures and risk management requirements. Under such policies, our finance department is responsible for proposing and evaluating potential investment products, and the Board is responsible for reviewing and approving the investment management policies and material investment matters. We limited our purchases to low-risk principal-protected products issued by reputable financial institutions that would not affect our daily operations or business prospects. Upon [REDACTED], any investments in wealth management products or securities, including financial assets at FVTPL, will be conducted in strict compliance with the applicable requirements under Chapter 14 of the Listing Rules.

### Restricted Bank Deposits

Our restricted bank deposits mainly represented cash pledged as security for bank guarantees issued in connection with the construction of our manufacturing facilities. We had restricted bank deposits of RMB8.6 million, RMB9.7 million and RMB9.7 million as of December 31, 2024, December 31, 2025 and June 30, 2026, respectively.

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### Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents primarily consisted of RMB-denominated cash on hand and at banks. Our cash and cash equivalents increased from RMB68.7 million as of December 31, 2024 to RMB190.3 million as of December 31, 2025, due to the receipt of proceeds from issue of shares. Our cash and cash equivalents decreased from RMB190.3 million as of December 31, 2025 to RMB97.5 million as of June 30, 2026, primarily due to cash used to fund our daily operations.

### Trade Payables

During the Track Record Period, our trade payables primarily represented amounts due to our suppliers for purchases of goods and services, such as raw materials and research and development services. Our trade payables remained relatively stable at RMB5.7 million, RMB5.2 million and RMB5.7 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. Our trade payables are non-interest-bearing and are normally settled on terms within 30 to 120 days. The following table sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated:

|                         | As of December 31, |              | As of June 30, |
|-------------------------|--------------------|--------------|----------------|
|                         | 2024               | 2025         | 2026           |
|                         | (RMB'000)          | (RMB'000)    | (RMB'000)      |
| Within 1 year . . . . . | 5,749              | 5,247        | 5,694          |
| <b>Total . . . . .</b>  | <b>5,749</b>       | <b>5,247</b> | <b>5,694</b>   |

### Other Payables and Accruals

During the Track Record Period, our other payables and accruals primarily consisted of (i) payroll payable, (ii) other payables, (iii) government grants, and (iv) tax payable. The following table sets forth a breakdown of other payables and accruals as of the dates indicated:

|                                       | As of December 31, |               | As of June 30, |
|---------------------------------------|--------------------|---------------|----------------|
|                                       | 2024               | 2025          | 2026           |
|                                       | (RMB'000)          | (RMB'000)     | (RMB'000)      |
| <b>Current:</b>                       |                    |               |                |
| Payroll payable . . . . .             | 9,854              | 12,802        | 11,065         |
| Other payables . . . . .              | 2,270              | 14,720        | 13,233         |
| Government grants . . . . .           | 317                | —             | —              |
| Tax payable . . . . .                 | 359                | 603           | 3,141          |
| Accrued [REDACTED] expenses . . . . . | [REDACTED]         | [REDACTED]    | [REDACTED]     |
| <b>Non-current:</b>                   |                    |               |                |
| Other payables . . . . .              | —                  | 1,231         | 1,721          |
| <b>Total . . . . .</b>                | <b>12,800</b>      | <b>31,689</b> | <b>32,307</b>  |

Our other payables and accruals increased from RMB12.8 million as of December 31, 2024 to RMB31.7 million as of December 31, 2025, primarily due to an increase in other payables, resulting from the ongoing construction of our manufacturing facilities. Our other payables and accruals remained relatively stable at RMB32.3 million as of June 30, 2026.

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### LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were for funding the research and development of our Core Products and other pipeline programs, as well as the construction of our manufacturing facilities. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity financing and bank borrowings. Our management closely monitors the use of cash and cash equivalents and strives to maintain healthy liquidity for our operations. Going forward, we believe our liquidity requirements will be satisfied by a combination of [REDACTED] from the [REDACTED], bank loans and cash generated from our operations after the commercialization of our drug candidates. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration arrangements or other sources.

#### Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

|                                                           | As of December 31, |                  | As of            |
|-----------------------------------------------------------|--------------------|------------------|------------------|
|                                                           | 2024               | 2025             | June 30,         |
|                                                           | (RMB'000)          | (RMB'000)        | 2026             |
| <b>Current assets</b>                                     |                    |                  |                  |
| Financial assets at FVTPL . . . . .                       | 40,074             | 80,247           | 85,495           |
| Prepayments, other receivables and other assets . . . . . | 2,186              | 11,878           | 12,566           |
| Restricted bank deposits . . . . .                        | 1,554              | 2,677            | 2,677            |
| Cash and cash equivalents . . . . .                       | 68,724             | 190,321          | 97,525           |
| <b>Total current assets</b> . . . . .                     | <b>112,538</b>     | <b>285,123</b>   | <b>198,263</b>   |
| <b>Current liabilities</b>                                |                    |                  |                  |
| Trade payables . . . . .                                  | 5,749              | 5,247            | 5,694            |
| Other payables and accruals . . . . .                     | 12,800             | 30,458           | 30,586           |
| Redemption liabilities on equity shares . . . . .         | 556,135            | 954,648          | 965,323          |
| Contract liabilities . . . . .                            | 4,245              | 3,736            | 3,736            |
| Lease liabilities . . . . .                               | 1,100              | –                | 1,166            |
| <b>Total current liabilities</b> . . . . .                | <b>580,029</b>     | <b>994,089</b>   | <b>1,006,505</b> |
| <b>Net current liabilities</b> . . . . .                  | <b>(467,491)</b>   | <b>(708,966)</b> | <b>(808,242)</b> |

Our net current liabilities increased from RMB709.0 million as of December 31, 2025 to RMB808.2 million as of June 30, 2026, primarily due to a decrease of RMB92.8 million in cash and cash equivalents.

Our net current liabilities increased from RMB467.5 million as of December 31, 2024 to RMB709.0 million as of December 31, 2025, primarily attributable to an increase of RMB398.5 million in redemption liabilities on equity shares, which was partially offset by an increase of RMB121.6 million in cash and cash equivalents and an increase of RMB40.2 million in financial assets at FVTPL.

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### Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

|                                                                       | Year Ended December 31, |                | Six Months Ended June 30, |                 |
|-----------------------------------------------------------------------|-------------------------|----------------|---------------------------|-----------------|
|                                                                       | 2024                    | 2025           | 2025                      | 2026            |
|                                                                       | (RMB'000)               | (RMB'000)      | (RMB'000)<br>(unaudited)  | (RMB'000)       |
| Net cash flows used in operating activities . . . . .                 | (62,727)                | (96,365)       | (34,794)                  | (67,546)        |
| Net cash flows used in investing activities . . . . .                 | (3,959)                 | (68,483)       | (43,262)                  | (21,870)        |
| Net cash flows from/(used in) financing activities . . . . .          | 117,984                 | 286,445        | 159,569                   | (3,380)         |
| <b>Net increase/(decrease) in cash and cash equivalents . . . . .</b> | <b>51,298</b>           | <b>121,597</b> | <b>81,513</b>             | <b>(92,796)</b> |
| Cash and cash equivalents at beginning of the year/period . . . .     | 17,426                  | 68,724         | 68,724                    | 190,321         |
| <b>Cash and cash equivalents at end of the year/period . . . . .</b>  | <b>68,724</b>           | <b>190,321</b> | <b>150,237</b>            | <b>97,525</b>   |

### *Net Cash Flows Used in Operating Activities*

In the six months ended June 30, 2026, our net cash flows used in operating activities were RMB67.5 million, which was primarily attributable to our loss before tax of RMB80.2 million, adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB10.7 million, and (ii) negative adjustments, which primarily included investment income from financial assets at FVTPL of RMB1.1 million.

In 2025, our net cash flows used in operating activities were RMB96.4 million, which was primarily attributable to our loss before tax of RMB298.5 million, adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB111.5 million, share-based payment expenses of RMB93.1 million, and depreciation of property, plant and equipment of RMB2.4 million, and (ii) negative adjustments, which primarily included an increase in prepayments, other receivables and other assets of RMB5.4 million, and investment income from financial assets at FVTPL of RMB1.5 million.

In 2024, our net cash flows used in operating activities were RMB62.7 million, which was primarily attributable to our loss before tax of RMB88.4 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB27.7 million and depreciation of property, plant and equipment of RMB4.4 million, and (ii) negative adjustments, which primarily included a decrease in trade payables of RMB5.7 million and a decrease in other payables and accruals of RMB4.0 million.

Given our net operating cash outflows throughout the Track Record Period, we plan to improve this situation through the following initiatives: (i) we plan to continue to advance the commercialization of our drug candidates in development to generate revenue from product sales. Specifically, we received marketing approval of bezacitinib for the treatment of MF in April 2026 and we intend to seek inclusion of our Core Products in the NRDL and other government-sponsored medical insurance programs at appropriate pricing levels following regulatory approval and commercial launch; (ii) we will continue to implement comprehensive measures to effectively

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control operating costs and optimize the use of idle cash. For example, we enforce rigorous budget controls at both the project and business department levels; and (iii) we will closely monitor the settlement of trade payables to achieve a better cash flow position.

### *Net Cash Flows Used in Investing Activities*

In the six months ended June 30, 2026, our net cash flows used in investing activities were RMB21.9 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB702.0 million and purchases of items of property, plant and equipment of RMB17.9 million, partially offset by withdrawal of financial assets at FVTPL of RMB697.0 million.

In 2025, our net cash flows used in investing activities were RMB68.5 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB885.0 million and purchases of items of property, plant and equipment of RMB28.9 million, partially offset by withdrawal of financial assets at FVTPL of RMB845.0 million.

In 2024, our net cash flows used in investing activities were RMB4.0 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB202.4 million, purchases of land use rights of RMB17.1 million, placement of restricted bank deposits of RMB16.6 million and purchases of items of property, plant and equipment of RMB5.6 million, partially offset by withdrawal of financial assets measured at FVTPL of RMB229.2 million.

### *Net Cash Flows from/(Used in) Financing Activities*

In the six months ended June 30, 2026, our net cash flows used in financing activities were RMB3.4 million, which was primarily attributable to payment of [REDACTED] expenses of RMB[REDACTED] and principal portion of lease payments of RMB0.5 million.

In 2025, our net cash flows from financing activities were RMB286.4 million, which was primarily attributable to proceeds from issue of shares of RMB289.4 million, partially offset by payment of [REDACTED] expenses of RMB[REDACTED].

In 2024, our net cash flows from financing activities were RMB118.0 million, which was primarily attributable to proceeds from issue of shares of RMB126.0 million, partially offset by repayment of bank borrowings of RMB5.4 million and principal portion of lease payments of RMB1.5 million.

## CASH OPERATING COSTS

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

|                                                                        | Year Ended December 31, |               | Six Months Ended June 30, |               |
|------------------------------------------------------------------------|-------------------------|---------------|---------------------------|---------------|
|                                                                        | 2024                    | 2025          | 2025                      | 2026          |
|                                                                        | (RMB'000)               | (RMB'000)     | (RMB'000)                 | (RMB'000)     |
| <b>Costs relating to research and development of our Core Products</b> |                         |               |                           |               |
| Preclinical, clinical trial and testing expenses . . . . .             | 23,953                  | 29,099        | 11,270                    | 12,824        |
| Staff costs . . . . .                                                  | 27,918                  | 24,978        | 13,269                    | 16,349        |
| Raw materials . . . . .                                                | 6,582                   | 4,842         | 2,884                     | 3,782         |
| Others . . . . .                                                       | 3,935                   | 6,929         | 2,202                     | 2,031         |
| <b>Subtotal . . . . .</b>                                              | <b>62,388</b>           | <b>65,848</b> | <b>29,625</b>             | <b>34,986</b> |

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|                                                                            | Year Ended December 31, |                | Six Months Ended June 30, |               |
|----------------------------------------------------------------------------|-------------------------|----------------|---------------------------|---------------|
|                                                                            | 2024                    | 2025           | 2025                      | 2026          |
|                                                                            | (RMB'000)               | (RMB'000)      | (RMB'000)                 | (RMB'000)     |
| <b>Costs relating to research and development of other products</b>        |                         |                |                           |               |
| Preclinical, clinical trial and testing expenses . . . . .                 | 4,408                   | 6,005          | 2,460                     | 3,969         |
| Staff costs . . . . .                                                      | 5,433                   | 7,225          | 3,417                     | 5,409         |
| Raw materials . . . . .                                                    | 82                      | 295            | 111                       | 332           |
| Others . . . . .                                                           | 85                      | 345            | 111                       | 139           |
| <b>Subtotal . . . . .</b>                                                  | <b>10,008</b>           | <b>13,870</b>  | <b>6,099</b>              | <b>9,849</b>  |
| <b>Other costs . . . . .</b>                                               |                         |                |                           |               |
| Workforce employment cost for non-research and development staff . . . . . | 6,469                   | 11,063         | 5,738                     | 8,651         |
| Non-income taxes, royalties and other governmental charges . . . . .       | 2,821                   | 3,856          | 1,334                     | 2,821         |
| Others . . . . .                                                           | 5,455                   | 11,763         | 1,485                     | 13,758        |
| <b>Subtotal . . . . .</b>                                                  | <b>14,745</b>           | <b>26,682</b>  | <b>8,557</b>              | <b>25,230</b> |
| <b>Total . . . . .</b>                                                     | <b>87,141</b>           | <b>106,400</b> | <b>44,281</b>             | <b>70,065</b> |

## WORKING CAPITAL CONFIRMATION

Although we recorded net current liabilities during the Track Record Period, we believe that our net current liabilities position is expected to improve through the following measures:

- **Cash inflow from our operations.** We will continue to advance the commercialization of our products to generate product sales revenue. In particular, we submitted the first NDA of bezacitinib for MF to the NMPA in August 2024, with the marketing approval received in April 2026. We will also actively pursue collaboration opportunities to diversify our revenue sources.
- **Reduction of current liabilities upon [REDACTED].** A significant portion of our current liabilities during the Track Record Period was attributable to redemption liabilities on equity shares, which arose from instruments with special rights issued to Pre-[REDACTED] Investors in connection with our financing activities. These instruments with special rights we issued to our Pre-[REDACTED] Investors will be transferred to equity upon the [REDACTED], after which the amount of our redemption liabilities on equity shares will be derecognized from our liabilities and transferred to equity, which can result in a significant improvement to our net current liabilities position.

As of July 31, 2026, we had total committed bank credit facilities of nil.

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and bank balances and the estimated [REDACTED] from the [REDACTED], we have sufficient working capital to cover at least 125% of our costs, including research and development costs and administrative expenses, for at least the next 12 months from the expected date of this document.

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Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents of RMB97.5 million and financial assets at FVTPL of RMB85.5 million as of June 30, 2026. We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED], equivalent to RMB[REDACTED], after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED], assuming no [REDACTED] are exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the [REDACTED] range in this document. Assuming an average cash burn rate going forward of 1.5 times the level in 2025, we estimate that (i) our cash and cash equivalents and financial assets at FVTPL as of June 30, 2026 will be able to maintain our financial viability for [REDACTED] months or, (ii) if we take into account [REDACTED]% of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general corporate purposes), [REDACTED] months or, (iii) if we also take into account the estimated [REDACTED] from the [REDACTED], [REDACTED] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

### INDEBTEDNESS

During the Track Record Period, we had indebtedness in the form of lease liabilities and redemption liabilities on equity shares. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

|                                                   | As of December 31, |                | As of June 30, |
|---------------------------------------------------|--------------------|----------------|----------------|
|                                                   | 2024               | 2025           | 2026           |
|                                                   | (RMB'000)          | (RMB'000)      | (RMB'000)      |
| <b>Current</b>                                    |                    |                |                |
| Lease liabilities . . . . .                       | 1,100              | —              | 1,166          |
| Redemption liabilities on equity shares . . . . . | 556,135            | 954,648        | 965,323        |
| <b>Non-current</b>                                |                    |                |                |
| Lease liabilities . . . . .                       | —                  | —              | 3,031          |
| <b>Total</b> . . . . .                            | <b>557,235</b>     | <b>954,648</b> | <b>969,520</b> |

### Lease Liabilities

Our lease liabilities primarily comprise leases of office buildings. As of December 31, 2024, 2025 and June 30, 2026, we had lease liabilities (current and non-current) of RMB1.1 million, nil and RMB4.2 million, respectively.

### Redemption Liabilities on Equity Shares

Our redemption liabilities on equity shares primarily represent the instruments with special rights we issued to our Pre-[REDACTED] investors. As of December 31, 2024, 2025 and June 30, 2026, we had redemption liabilities on equity shares of RMB556.1 million, RMB954.6 million and RMB965.3 million, respectively. For details, see Note 21 to the Accountants’ Report set out in Appendix I to this document.

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## FINANCIAL INFORMATION

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### Indebtedness Statement

Except as discussed above, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or material breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that there have been no material changes in our indebtedness since June 30, 2026 up to the date of this document.

### CAPITAL EXPENDITURES

In 2024, 2025 and the six months ended June 30, 2026, we incurred capital expenditures of RMB22.9 million, RMB28.9 million and RMB18.0 million, respectively, in connection with the purchase of items of property, plant and equipment and purchases of intangible assets and land use rights in order to enhance our development capabilities and expand our business operations.

To better accommodate the growing demand for our drug candidates upon commercialization, we plan to acquire land, establish manufacturing facilities and purchase production equipment. We plan to fund such planned capital expenditures mainly through a combination of the [REDACTED] from the [REDACTED], revenue expected to be generated from sales of our products in the future and others. See the section “Future Plans and Use of [REDACTED]” in the document for more details. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors as appropriate.

### CAPITAL COMMITMENTS

As of December 31, 2024 and 2025 and June 30, 2026, our capital expenditure contracted for but not yet incurred is related to property, plant and equipment, primarily represented contractual commitments in connection with the ongoing construction of our manufacturing facilities, amounting to RMB176.0 million, RMB132.9 million and RMB115.8 million, respectively.

In addition to our capital expenditures incurred in the ordinary course of business, we have made certain investment commitments in connection with prior share subscription arrangements, pursuant to which we are required to invest specified amounts in the Shaoxing Binhai New Area within prescribed timeframes. For details, see Note 28 to the Accountants’ Report set out in Appendix I to this document.

### CONTINGENT LIABILITIES

As of December 31, 2024 and 2025 and June 30, 2026, we did not have any contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

## FINANCIAL INFORMATION

### RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain related party transactions. For details, see Note 29 to the Accountants’ Report set out in Appendix I to this document. Our Directors confirm that each of the significant related party transactions during the Track Record Period was conducted on an arm’s length basis, and would not distort our results of operations over the Track Record Period or make our historical results not reflective of our future performance.

### KEY FINANCIAL RATIO

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

|                                        | As of December 31, |      | As of June 30, |
|----------------------------------------|--------------------|------|----------------|
|                                        | 2024               | 2025 | 2026           |
| Current ratio <sup>(1)</sup> . . . . . | 0.2                | 0.3  | 0.2            |

*Note:*

(1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.

Our current ratio increased from 0.2 as of December 31, 2024 to 0.3 as of December 31, 2025, and then decreased to 0.2 as of June 30, 2026, primarily due to changes in our cash and cash equivalents.

### MARKET RISK DISCLOSURE

The risks associated with our financial instruments primarily include credit risk and liquidity risk. Our management manages these exposures to ensure appropriate measures are implemented on a timely and effective manner. See Note 32 to the Accountants’ Report set out in Appendix I to this document for more details.

#### Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. Our exposure to credit risk arising from cash and cash equivalents and restricted bank deposits is limited and remote because the counterparties are state-owned banks or reputable commercial banks for which we consider to have immaterial credit risk. Our management has assessed that during the Track Record Period, other receivables did not have a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default events within 12 months of each reporting date is adopted by our management.

#### Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to finance the operations and mitigate the effects of fluctuations in cash flows. See Note 32 to the Accountants’ Report set out in Appendix I to this document for more details.

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### DIVIDEND

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [REDACTED] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China.

As advised by our PRC Legal Advisor, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

### PROPERTY INTEREST AND PROPERTY VALUATION

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, an independent property valuer, has valued our selective property interests as of June 30, 2026. Particulars of these property interests are set out in Appendix III to this document.

The table below sets out the reconciliation between the net book value of our selective property as of June 30, 2026 in the Accountants’ Report set out in Appendix I to this document and the market value of our selective property as of June 30, 2026 in the Property Valuation Report set out in Appendix III to this document.

|                                                                                        | <i>(RMB’000)</i> |
|----------------------------------------------------------------------------------------|------------------|
| Net book value of our selective property as of June 30, 2026 . . . . .                 | 79,624           |
| Net Valuation surplus as of June 30, 2026 . . . . .                                    | <u>6,276</u>     |
| Valuation as of June 30, 2026 as set out in Appendix III to<br>this document . . . . . | <u>85,900</u>    |

### DISTRIBUTABLE RESERVES

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

### [REDACTED] EXPENSE

[REDACTED] expenses to be borne by us are estimated to be approximately HK\$[REDACTED] (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share), which represent [REDACTED]% of the [REDACTED] from the [REDACTED], assuming no Shares are issued pursuant to the [REDACTED]. The above [REDACTED] expenses are comprised of (i) [REDACTED]-related expenses of

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## FINANCIAL INFORMATION

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HK\$[REDACTED], and (ii) non-[REDACTED]-related expenses of HK\$[REDACTED], including (a) the legal advisors and the reporting accountants’ expenses of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. During the Track Record Period, we incurred [REDACTED] expenses of HK\$[REDACTED], HK\$[REDACTED] of which was charged to our consolidated statements of profit or loss and other comprehensive income, and HK\$[REDACTED] of which was attributable to the issue of Shares and will be deducted from equity. We expect to incur additional [REDACTED] expenses of approximately HK\$[REDACTED] after the Track Record Period, approximately HK\$[REDACTED] of which is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately HK\$[REDACTED] of which is attributable to the issue of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED]

### NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since June 30, 2026 and up to the date of this document and there is no event since June 30, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report set out in Appendix I to this document.

### DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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