

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document carefully before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors.” In particular, we are a biotechnology company seeking a [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. Our Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide. We may continue to incur substantial costs and expenses in relation to the research and development of our Core Product, and our Core Product may not be successfully marketed. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are an antimicrobial peptide (“AMP”) therapeutics company established in April 2009, and focus on two core therapeutic areas, namely anti-infectives and metabolic diseases. As of the Latest Practicable Date, we had (i) one Core Product, PL-5 (Pecleganan, 培來加南), a product for the treatment of secondary infections of first-degree or superficial second-degree burn and scald wounds caused by *Staphylococcus epidermidis*, *Staphylococcus haemolyticus*, or *Acinetobacter baumannii* (“**Secondary Infection of Burn Wounds**”) and diabetic foot infection (“**DFI**”), administered as a topical spray; and (ii) three other drug candidates in our pipeline.

THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCT OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY

Our Core Product, PL-5 Spray (普亦克®), is the first-in-class (“**FIC**”) Ganan-class drug that has received new drug application (“**NDA**”) approval globally, according to Frost & Sullivan. Leveraging the “Membrane Discrimination Mechanism,” a theory our founder first co-proposed in 2006, PL-5 represents a novel mechanism of action, with peptide secondary structure folding to disrupt the integrity of microbial membranes, to address the challenges associated with antibiotic-resistance. In June 2026, our Core Product received the NDA approval from the NMPA for the treatment of secondary infection of burn wounds. With its key advantages of anti-resistance, broad-spectrum and high efficacy, PL-5 offers a breakthrough solution for treating multidrug-resistant infections, and we plan to pursue additional indications for secondary infections in other types of wounds through further clinical trials in China, such as the treatment of DFI, as well as the treatment and prevention of infections in wounds caused by physical trauma. It has been consecutively selected as the National Major Scientific and Technological Special Project for “Significant New Drugs Development” during the Twelfth and the Thirteenth Five-Year Plan Period (國家十二五、十三五“重大新藥創製”科技重大專項).

Our key product, PL-3301, is a thermosensitive peptide gel for the treatment of oropharyngeal candidiasis (“**OPC**”). Our another key product, PL-18, is an AMP drug for the treatment of vulvovaginal candidiasis (“**VVC**”), and may also have applications in treating a range of gynecological infections, including bacterial vaginitis, fungal vaginitis and mixed vaginitis. Both key products are also based on the “Membrane Discrimination Mechanism,” aiming to fill clinical gaps in their respective treatment fields.

In addition to the aforementioned anti-infective drugs, we are actively expanding our pipeline into therapeutic areas including metabolic diseases, oncology, and autoimmune disorders, with multiple assets currently at the preclinical stage.

Our preclinical asset PL-MD-333 is an oral FGF19/FGF21 inducer and lipid metabolism modulator, according to Frost & Sullivan. Preclinical studies indicate that PL-MD-333 may reduce adiposity, increase the percentage of lean muscle mass, and demonstrate synergistic effects when used in combination with glucagon-like peptide-1 (“**GLP-1**”) receptor agonists such as semaglutide, positioning it as a promising candidate with the potential to transform the treatment paradigm for metabolic diseases.

SUMMARY

Area	Item	MoA/Target	Indication	Region	Dosage Form	Regulatory Authorities	Preclinical/IND Enabling	Phase I	Phase II	Phase III or Pivotal	NDA	Sponsor	Source	Current Status/Next Milestone ^(a)	Commercial Rights
Anti-infection	PL-5 Preequam ^(b) ★	Membrane Discrimination Mechanism	Secondary infection of burn wounds	China	Spray	NMPA						The Group	Self-developed	NDA Approved in June 2026	正大天晴 Chinese Mainland (Chia Tai Tianqing) ex-Chinese Mainland (the Group)
			IWGDF Grade II diabetic foot infection	US	Spray	FDA ^(c)						The Group	Self-developed	Phase II initiated in January 2024; To complete Phase II by September 2028	
	PL-3301 ★	Membrane Discrimination Mechanism	Oropharyngeal candidiasis infection	China	Thermo-sensitive gel	NMPA						The Group	Self-developed	To initiate Phase II by September 2026	
			Pulmonary infection	US	Inhalant	FDA						The Group	Self-developed	IND Approval in June 2024 ^(d)	
Metabolism	PL-18 ★	Membrane Discrimination Mechanism	Vulvovaginal candidiasis	China/US	Suppository	NMPA/FDA						The Group	Self-developed	To submit IND by December 2027	To be developed independently
				China	Suppository + Gel ^(e)	NMPA						The Group	Self-developed	Phase Ib/II for suppository completed in October 2023; To initiate Phase II for gel in January 2024; To complete Phase II by February 2025; To complete Phase II by review of our supplementary submission	
	PL-MD-333P ^(f)	FGF19/FGF21 (small molecule; peptidomimetic)	Obesity	US	Suppository	FDA						The Group	Self-developed	Phase II Approval in October 2024 ^(g)	
				China/US	Capsule	NMPA/FDA						The Group	Self-developed	To submit IND by March 2027	

Note: ★ Core Product ☆ Key Product  Directly to Phase II clinical trial

- IWGDF refers to the International Working Group on the Diabetic Foot; MASH refers to metabolic dysfunction-associated steatohepatitis; NMPA refers to the National Medical Products Administration of the PRC; FDA refers to the U.S. Food and Drug Administration; FGF19/FGF21 refers to fibroblast growth factor 19 and fibroblast growth factor 21; PARP-1 refers to poly(ADP-ribose) polymerase 1.
- All of our candidate products were independently developed by us, and with respect to the Core Product, PL-5, the University of Colorado licensed to us only the patent rights relating to the underlying compound formula, rather than transferring a complete drug asset. Our founder, Dr. Chen, is one of the principal inventors of the underlying antimicrobial peptide molecule of PL-5, which was developed based on the results of his postdoctoral research project. The transformation from a compound formula into a candidate drug asset primarily depended on our independently completed drugability development, process optimization, preclinical studies, and subsequent clinical development. The University of Colorado and the other co-inventors were not involved in this process. Accordingly, it would not be appropriate to regard PL-5 as a drug asset acquired through a typical in-licensing or acquisition arrangement. For further details, see “Business — Our Collaborations and Licensing Arrangements — Licensing Arrangements with the University of Colorado.”
 - In December 2022, we entered into an exclusive commercial cooperation agreement with Chia Tai Tianqing regarding the rights and interests of PL-5 in Chinese Mainland. For further details, please see “Business — Our Collaborations and Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing.”
 - In March 2022, after reviewing the data generated from our Phase I and Phase II clinical trials conducted in China, together with other relevant submission materials, the FDA raised no objection to PL-5 proceeding directly to a Phase II clinical trial. The FDA’s no-objection position was based on its review of the relevant clinical data and other submission materials, and was not subject to any preconditions that we were required to satisfy before commencing the Phase II clinical trial.
 - In June 2024, we received an approval from the FDA authorizing us to initiate a Phase I clinical trial for PL-3301.
 - Based on the results of the Phase Ib/II clinical trial, a twice-daily dosing regimen is planned for the subsequent clinical development of PL-18. However, the excipient levels in the suppository formulation are not suitable for twice-daily administration. Animal efficacy studies demonstrated that twice-daily administration of PL-18 gel showed antifungal efficacy comparable to that of the positive control. Accordingly, the formulation is proposed to be changed from a suppository to a gel to support twice-daily administration. For further details regarding the clinical trial results and our communications with the CDE, please see “Summary of Clinical Trial Results” and “Material Communications with Competent Authorities,” respectively, under “Business — Our Products and Pipeline — PL-18 (α-Helical Antimicrobial Peptide), Our Key Product.”
 - In October 2024, after reviewing the data generated from our Phase I clinical trials conducted in China and Australia, together with other relevant submission materials, the FDA raised no objection to PL-18 proceeding directly to a Phase II clinical trial. The FDA’s no-objection position was based on its review of the relevant clinical data and other submission materials, and was not subject to any preconditions that we were required to satisfy before commencing the Phase II clinical trial.
 - All product candidates shown in this pipeline chart are currently under development as monotherapies, except for PL-MD-333, which has also shown the potential for combination treatment with semaglutide.
 - “Clinical trial completion” generally refers to the date on which the last subject completes the final protocol-specified visit or procedure in the relevant clinical trial, commonly understood as last patient out, last subject last visit or last participant last visit, with reference to ClinicalTrials.gov, the ICH E3 guideline and ChtCTR clinical trial registration practice.

SUMMARY

Currently, our product pipeline is progressing steadily. PL-5 has received NDA approval from the National Medical Products Administration (“NMPA”) as a Class 1 innovative drug on June 17, 2026, and we are in the process of conducting a Phase II clinical trial for PL-5 in the U.S. PL-3301 and PL-18 are now in clinical development, while multiple preclinical assets are advancing under their respective development plans. Moving forward, we will remain committed to focusing on core technology upgrades and clinical translation of our pipeline. We will continue to deepen our presence in the global peptide therapeutics field through differentiated strategy, aiming to provide more clinically meaningful treatment solutions for patients worldwide.

OUR PIPELINE

As of the Latest Practicable Date, we have developed four drug candidates, including one Core Product and two key products, across infectious diseases, metabolic diseases and autoimmune disorders. These candidates target indications including secondary infection of burn wounds, DFI, VVC, OPC, pulmonary infection and obesity.

Our pipeline comprises (i) three clinical-stage candidates, including (a) PL-5, our Core Product, an α -helical antimicrobial peptide spray for the treatment of secondary infection of burn wounds and DFI, (b) PL-3301, an α -helical antimicrobial peptide oral thermosensitive gel and inhalant for the treatment of OPC and pulmonary infection and (c) PL-18, an α -helical antimicrobial peptide suppository and gel for the treatment of VVC, and (ii) one selected preclinical candidate, namely PL-MD-333, an oral small molecule FGF19/FGF21 inducer and lipid metabolism modulator for the treatment of obesity.

Clinical Development Milestones

For PL-5, (i) in China, for the treatment of secondary infection of burn wounds, (a) we obtained IND approval from the NMPA in May 2016; (b) we subsequently conducted a Phase Ia clinical trial (September 2016 to March 2017), a Phase Ib clinical trial (June 2017 to December 2017), a Phase IIa clinical trial (July 2018 to September 2019), a Phase IIb clinical trial (July 2020 to May 2021), a Phase IIIa clinical trial (August 2021 to July 2022), and a Phase IIIb clinical trial (June 2023 to August 2024); and (c) after completing these clinical trials, we submitted the NDA for PL-5 to the NMPA in December 2024, and then received NDA approval from the NMPA as a Class 1 innovative drug in June 2026; (ii) in the U.S., for the treatment of DFI, (a) the FDA allowed us in March 2022 to proceed directly to a Phase II clinical trial without requiring a prior U.S. Phase I clinical trial; and (b) we initiated the Phase II clinical trial in January 2024, with completion expected by the third quarter of 2028.

For PL-3301, (i) for the treatment of OPC, (a) in China, we obtained IND approvals from the NMPA in July 2025, subsequently completed a Phase Ia clinical trial from October 2025 to March 2026, and a Phase Ib clinical trial from May 2026 to July 2026; we expect to initiate a Phase II clinical trial in September 2026; and (b) in the U.S., we obtained IND approval from the FDA in June 2024; and (ii) for the pulmonary infection indication, preclinical development is ongoing as of the Latest Practicable Date, and we currently expect to submit the IND applications to the NMPA and/or the FDA by December 2027.

For PL-18, for the treatment of VVC, (i) in China, we (a) obtained IND approvals for suppository formulation in January 2023, subsequently completed a Phase I clinical trial from March 2023 to July 2023 and a Phase Ib/II clinical trial from September 2023 to October 2025; and (ii) expect to initiate a Phase II clinical trial for gel formulation by March 2027, subject to regulatory approval; (ii) in the U.S., based on early-phase clinical data generated in Australia and China, including data from a Phase I clinical trial conducted in Australia from June 2022 to March 2024, we obtained approval for suppository formulation from the FDA in October 2024 to commence a Phase II clinical trial.

Addressable Market and Competitive Landscape

PL-5 (Secondary Wound Infection in China). According to Frost & Sullivan, (i) the China market size was USD0.9 billion in 2025 and is expected to reach USD1.1 billion in 2030; (ii) the incidence in China was 18.9 million in 2025 and is expected to increase to 20.3 million in 2030; and (iii) as of the Latest Practicable Date, PL-5 is the only AMP drug approved in China specifically for an indication within the broader category of secondary wound infections.

SUMMARY

PL-5 (Secondary Infection of Burn Wounds). According to Frost & Sullivan, (i) the global market size was approximately USD2.2 billion in 2025 and is expected to reach USD2.4 billion by 2030; (ii) the global incidence was approximately 28.6 million in 2025 and is expected to increase to 29.0 million by 2030.

PL-5 (DFI). According to Frost & Sullivan, (i) the global market size was approximately USD3.1 billion in 2025 and is expected to reach USD3.4 billion by 2030; (ii) the global incidence was approximately 32.5 million in 2025 and is expected to increase to 36.0 million by 2030; and (iii) as of the Latest Practicable Date, (a) the FDA has approved only two drugs, which were not specifically developed for DFI; and (b) the global clinical pipeline for DFI remains limited, with only two clinical-stage candidates identified worldwide (TP-102 and PL-5), both in Phase II development.

PL-3301 (OPC). According to Frost & Sullivan, (i) the global market size was approximately USD4.1 billion in 2025 and is expected to reach USD4.6 billion by 2030; (ii) the prevalence was approximately 580.9 million globally in 2025 and is expected to reach 622.5 million by 2030; and (iii) as of the Latest Practicable Date, (a) three antifungal originator drugs have been approved for the treatment of OPC in each of the United States and China; and (b) no clinical-stage pipeline candidates have been identified overseas with OPC, and only one active pipeline candidate (PL-3301) has been identified in China.

PL-3301 (Pulmonary Infection). According to Frost & Sullivan, pulmonary infection is not typically analyzed as a standalone market in industry practice, and market analysis is generally conducted based on specific disease categories. Community-acquired pneumonia (“CAP”) is one of the most common and well-defined types of pulmonary infection and therefore serves as a meaningful reference market for pulmonary infection. On such basis, (i) the global CAP market size was approximately USD14.8 billion in 2025 and is expected to reach USD22.9 billion by 2030; (ii) in 2025, the incidence of CAP was approximately 65.7 million globally, and is expected to increase to 74.4 million globally by 2030; and (iii) as of the Latest Practicable Date, (a) no approved originator peptide-based anti-infective inhalation drugs have been indicated for CAP in both China and the U.S.; and (b) no such product candidates have been identified globally.

PL-18 (VVC). According to Frost & Sullivan, (i) the global market size was approximately USD5.6 billion in 2025 and is expected to reach USD6.1 billion by 2030; (ii) the prevalence was approximately 470.2 million globally in 2025 and is expected to reach 494.2 million by 2030; and (iii) as of the Latest Practicable Date, (a) four antifungal originator drugs have been approved for the treatment of VVC in each of the United States and China; and (b) two clinical-stage pipeline candidates have been identified overseas (BGY-1601 and PL-18) and three active pipeline candidates have been identified in China (WXSH0102, PL-18 and GLS-W1100).

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors: (i) multiple peptide-based therapeutics in the field of anti-infective therapy; (ii) a differentiated product pipeline across multiple therapeutic areas with significant clinical needs, aiming to overcome the limitations of traditional therapies; (iii) independently developed core technology platforms, enhancing innovation competitiveness, empowering advancements across diverse therapeutic fields; (iv) advanced production capabilities enabling efficient transition from innovation to commercialization; and (v) management team with rich industry experience and specialized scientific expertise.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: (i) accelerate global clinical advancement and commercialization of core pipeline; (ii) deepen technology platform iteration and enrich pipeline portfolio; (iii) complete full production chain integration and strengthen manufacturing capabilities; and (iv) deepen global strategic partnerships and maximize commercial value.

SUMMARY

RESEARCH AND DEVELOPMENT

Research and development supports our ability to foster innovation, advance pipeline assets, and maintain a competitive edge in the global pharmaceutical market. We conduct research and development activities primarily through our in-house scientific and development teams, supplemented by CDMOs, CROs and SMOs engaged from time to time to support preclinical research and clinical trials.

We have been primarily engaged in research and development for the purpose of developing our Core Product, and have continued such research and development efforts throughout the Track Record Period. In 2024 and 2025, and the six months ended June 30, 2025 and 2026, our research and development expenses accounted for 71.5%, 60.9%, 65.3% and 50.4% of our total operating expenses (defined as the sum of research and development expenses, selling and distribution expenses and administrative expenses), and research and development expenses for our Core Product accounted for 52.5%, 31.5%, 35.6% and 33.4% of our research and development expenses, respectively. With respect to the research and development expenses incurred for the Core Product, we recorded RMB42.4 million, RMB18.0 million, RMB9.1 million and RMB8.2 million in 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively.

In-house R&D Team

As of the Latest Practicable Date, we have established a dedicated in-house R&D team of 36 members with an average of more than eight years of industry experience and more than 86.0% of our R&D team members held master’s or above degrees. Our R&D team consists of experienced scientists with strong expertise and extensive development experience in, backed by years of work in drug development, medical practice and strategic planning. For more details, please see “Business — Research and Development — In-house R&D Team.”

Collaboration with CROs and SMOs

In addition to our in-house R&D activities, we also collaborate with reputable CROs and SMOs to support our research and clinical trials under our close oversight and management.

We select CROs and SMOs based on professional qualifications, relevant research experience, service quality, efficiency, industry reputation, and costs. We typically enter into a master service agreement with CROs and SMOs under which we execute a separate work order which define the scope of work, sample size, procedures, deliverables, timelines, and payment terms for each preclinical or clinical research project. CROs are required to comply with all applicable laws and regulations and adhere to our established protocols, ensuring the accuracy and authenticity of clinical trial results. To maintain data integrity and regulatory compliance, we also exercise oversight of our CROs and SMOs partners. This includes regular progress meetings, execution reviews, and periodic audits, ensuring adherence to our protocols and regulatory requirements. Our proactive management approach reinforces the quality and reliability of data generated from our trials, supporting the advancement of our pipeline and strengthening our overall clinical development strategy.

Collaboration with CDMOs

In order to support the research, development, and clinical trials of our drug candidates, we procured raw material, namely peptide APIs, from external CDMOs. During the Track Record Period, we cooperated with two, three and two CDMOs in 2024, 2025 and the six months ended June 30, 2026, respectively, with corresponding expenses of approximately RMB2.9 million, RMB3.5 million and RMB3.0 million.

Collaboration with Clinical Trial Sites and PIs

We normally select NMPA-approved hospitals and enter into agreements to conduct clinical trials strictly following GCP-standard protocols that have been reviewed and approved. Participating institutions collect data and prepare case reports in exchange for scheduled payments. Furthermore, we also collaborate with reputable PIs who oversee trial implementation, provide valuable clinical feedback, and introduce our drug candidates at academic and industry conferences.

SUMMARY

OUR COLLABORATIONS AND LICENSING ARRANGEMENTS

Licensing arrangements with the University of Colorado

All the key technologies in relation to our Core Product and other product candidates were developed by us in-house, and substantially all the IP rights in relation to our Core Product and other product candidates were granted by the relevant regulatory authorities to, and are currently owned by, us. However, the “Membrane Discrimination Mechanism” was co-proposed by our founder, Dr. Chen, when he was conducting his postdoctoral research at the University of Colorado (the “University”) and Dr. Robert Hodges (who was Dr. Chen’s mentor at the University), and the underlying antimicrobial peptide molecule of PL-5 was co-developed by Dr. Chen and Dr. Robert Hodges, as principal inventors, together with the three other co-inventors. Therefore, following the University’s policies regarding discoveries and inventions, the initial compound patents in relation to such antimicrobial peptide were owned by the University.

In May 2007 and December 2021, we entered into two separate exclusive license agreements with the Regents of the University of Colorado, which granted us exclusive, royalty bearing licenses to make, use, import, offer to sell or sell any product or render any services or process based on such compound patents in Greater China and the U.S., respectively, for all fields of uses. No joint steering committee or other similar joint decision-making mechanism was established pursuant to such license agreements. The University only retains the right to practice the relevant patents for its own internal research and educational purposes, and did not have any control over the R&D, clinical development and commercialization of products independently developed by us based on the patents.

After obtaining the compound patent in the PRC, we have independently conducted a series of research and development, including developing all the specific sequence-related formulation patents used in PL-5 in-house and conducting all the clinical trials for PL-5 in the PRC and in the U.S. The NDA in relation to PL-5 in the PRC was submitted only under our name, and we are expected to be the sole Marketing Authorization Holder (MAH) of PL-5.

Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing

In December 2022, we entered into an Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing for the sales of our PL-5, granting it exclusive commercialization rights for PL-5 in Chinese Mainland, with service fees. Pursuant to the Agreement, Chia Tai Tianqing will also take responsibility for the marketing events for PL-5.

For more details, please see “Business — Our Collaborations and Licensing Arrangements”

INTELLECTUAL PROPERTY

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 71 issued patents in China, (ii) two issued patent and one licensed-in patent in the U.S., (iii) three issued patents in other jurisdictions, including Japan and Europe, and (iv) 27 pending patent applications, including 16 in China, two in the U.S., one under the Patent Cooperation Treaty (PCT) which has not entered into national phases, and eight in other jurisdictions.

In December 2025, a Chinese patent we licensed from the University covering the underlying antimicrobial peptide compound of our Core Product expired, and a U.S. patent we licensed from the University covering the same compound is expected to expire in October 2028. Despite the expiration (and expected expiration) of these patents, we believe we have established a robust and effective defensive moat for our Core Product. As of the Latest Practicable Date, with respect to our Core Product, PL-5, we owned five patents in China, and one patent in Japan, covering the specific sequence-related formulation used in PL-5. These patents have all been granted directly to us, and will remain valid until 2041. As confirmed by our IP Counsel, patent portfolio covers almost all the possible principal topical routes of administration of PL-5, including spray (suitable for large-area or pain-sensitive wounds), cream (suitable for superficial infected wounds), gel (suitable for infected wounds with slough that require maintenance of a moist environment), topical solution/liquid (suitable for wound irrigation and wet dressing applications), and lyophilized formulations (suitable for scenarios requiring a reconstituted antimicrobial solution with high concentration and high activity for complex wounds or drug-resistant infections). We believe that this multi-dosage-form coverage enables us to address different wound types and clinical use scenarios, and forms an effective barrier to deter

SUMMARY

competition from generic drugs. In addition to the above-mentioned issued patents, as of the Latest Practicable Date, we also had four pending patent applications in relation to PL-5, including one in China, one in the U.S., and two in other jurisdictions. Please see “Business — Intellectual Properties” for more details about our patent portfolio and the other measures we adopted to protect our IP rights.

MANUFACTURING

We have established manufacturing capabilities to support the early-stage clinical development of our selected drug candidates. Our manufacturing facility in Jiangyin, Wuxi City, Jiangsu Province has a gross floor area of approximately 12,000 sq.m. As of the Latest Practicable Date, we maintained (i) production facilities for our Core Product, namely PL-5, and we are able to start massive production of our drug candidate, namely PL-5, once it commercialized; and (ii) three production lines for our daily-care products. Going forward, we may plan to further scale up our in-house manufacturing capacity by setting up additional manufacturing facilities in China, so as to accommodate the growing demand for our drug candidates once commercialized. For details, please see “Business — CMC and Manufacturing — Our CMC activities and capabilities.”

COMPETITION

As of the Latest Practicable Date, only a limited number of peptide-based anti-infective drugs have been approved by the FDA and the NMPA, and most of such approvals were granted in earlier years. In China, there were only eight clinical-stage peptide-based anti-infective drug candidates under development, and the competitive landscape in this field remains highly concentrated and sparsely populated. For more information on the competitive landscape of our drug candidates, please see “Business — Competition.”

COMMERCIALIZATION

Since our establishment, we have always been primarily focused on the research and development of innovative pharmaceutical products. As of the Latest Practicable Date, we had not established a large in-house sales and marketing team yet, and our limited commercialization efforts during the Track Record Period were primarily in relation to the sale of our daily-care products, which has never been, and will not be, our core business.

We expect that we will continue to be primarily focused on research and development. Instead of expending extensive resources on establishing a large sales and marketing team within a short timeframe, we plan to cooperate with leading industry players. Following such strategy, we entered into the exclusive commercial cooperation agreement with Chia Tai Tianqing, in anticipation of the upcoming commercialization of PL-5 in China. For details, please see “Business — Our Collaborations and Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing.”

SALES AND MARKETING

During the Track Record Period, we sold daily-care products directly or through distributors. Our daily-care products are a professional-grade topical solution designed for antibacterial, antifungal, and mosquito bites. We sell daily-care products to distributors, which then distribute such products in China. We benefit from our distributors’ established distribution channels and local resources, which enable us to save costs and increase the effectiveness of launching and selling our daily-care products in our target markets within a short period of time. We either have a seller-buyer relationship or a consignment sales relationship with our distributors. We also directly sell daily-care products to consumers in China through e-commerce channels and have established our online channels, primarily through the opening of online stores on Tmall, JD.com, Douyin, Pinduoduo and other e-commerce platforms in China.

OUR CUSTOMERS AND SUPPLIERS

Our core pharmaceuticals have not yet been launched, nor have we generated any revenue from patent licensing. Our current customer base primarily consists of customers for daily-care products. In 2024, 2025 and the six months ended June 30, 2026, revenue generated from our five largest customers for daily-care products in each year/period amounted to RMB1.9 million, RMB1.1 million and RMB0.4 million, representing 36.9%, 32.9% and 20.2% of our total revenue for the respective years/period.

SUMMARY

Revenue generated from our single largest customer for each year/period amounted to RMB0.6 million, RMB0.4 million and RMB0.2 million, representing 11.5%, 13.5% and 10.8% of our total revenue for the respective year/period.

During the Track Record Period, our suppliers primarily consisted of CROs, SMOs, and suppliers of R&D materials. Purchases from our five largest suppliers in 2024, 2025 and the six months ended June 30, 2026 were RMB43.7 million, RMB22.0 million and RMB14.1 million, respectively, representing 54.7%, 45.9% and 52.7% of our total purchases for the respective year/period. Purchases from our single largest supplier in 2024, 2025 and the six months ended June 30, 2026 were RMB21.5 million, RMB16.0 million and RMB6.1 million, respectively, representing 27.0%, 33.3% and 22.6% of our total purchases for the respective year/period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants’ Report set out in Appendix I to this document, as well as the information set forth in the section headed “Financial Information.” Our historical financial information was prepared in accordance with HKFRSs.

Summary Data of Consolidated Statements of Profit or Loss

The following table sets forth summary data from our consolidated statements of profit or loss for the years/period indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	5,194	3,332	1,428	2,192
Cost of sales	(3,020)	(2,024)	(840)	(1,142)
Gross profit	2,174	1,308	588	1,050
Other income and gains	11,627	14,193	2,135	3,047
Research and development expenses . . .	(80,725)	(57,215)	(25,713)	(24,412)
Administrative expenses	(26,253)	(32,126)	(10,863)	(21,448)
Selling and distribution expenses	(5,876)	(4,607)	(2,799)	(2,540)
Finance costs	(58,432)	(62,463)	(29,307)	(40,135)
Impairment losses on financial assets, net	(297)	(510)	(341)	(784)
Other expenses	(555)	(144)	(13)	(18)
LOSS BEFORE TAX	(158,337)	(141,564)	(66,313)	(85,240)
LOSS FOR THE YEAR/PERIOD	(158,337)	(141,564)	(66,313)	(85,240)
Attributable to:				
Owners of the parent	(158,337)	(141,564)	(66,313)	(85,240)

We recorded net loss of RMB158.3 million, RMB141.6 million, RMB66.3 million and RMB85.2 million in 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively. The decrease of net loss from 2024 to 2025 was primarily due to the decrease in research and development expenses in 2025, as our Core Product PL-5 received acceptance notice for application of its NDA in China in December 2024. Our net loss increased from RMB66.3 million in the six months ended June 30, 2025 to RMB85.2 million in the six months ended June 30, 2026, primarily due to the increase in finance cost in the six months ended June 30, 2026, as the interest on redemption liabilities on equity interests increased in the same period.

We expect an increase in forecast net loss in 2026, primarily because we expect to incur increasing research and development expenses as we continue to conduct and expand our clinical development programs and advance the research and development of pipeline product candidates.

SUMMARY

Summary Data from Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial position as of the dates indicated.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Total non-current assets	178,300	142,808	157,800
Total current assets	54,701	256,142	125,319
Total non-current liabilities	3,166	3,120	2,498
Total current liabilities	817,734	1,131,045	1,099,480
NET CURRENT LIABILITIES	(763,033)	(874,903)	(974,161)
NET LIABILITIES	(587,899)	(735,215)	(818,859)

We had net current liabilities as of December 31, 2024, December 31, 2025 and June 30, 2026. Our net current liabilities increased from RMB763.0 million as of December 31, 2024 to RMB874.9 million as of December 31, 2025, primarily attributable to an increase in current liabilities. Our net current liabilities increased from RMB874.9 million as of December 31, 2025 to RMB974.2 million as of June 30, 2026, primarily attributable to the decrease in cash and cash equivalents. Our current liabilities increased from RMB817.7 million as of December 31, 2024 to RMB1,131.0 million as of December 31, 2025, primarily due to an increase in redemption liabilities on equity interest. Our current liabilities decreased from RMB1,131.0 million as of December 31, 2025 to RMB1,099.5 million as of June 30, 2026, primarily due to the decrease of interest bearing bank borrowings and other payables and accruals.

Our net liabilities increased from RMB587.9 million as of December 31, 2024 to RMB735.2 million as of December 31, 2025 and further increased to RMB818.9 million as of June 30, 2026, primarily attributable to our net loss of RMB141.6 million in 2025 and net loss of RMB 85.2 million in the six months ended June 30, 2026. We expect to achieve a positive net asset position upon completion of the [REDACTED], after which convertible redemption liabilities on equity interest will be re-designated from liabilities to equity, and taking into consideration the [REDACTED] from the [REDACTED].

For details of our financial position, please see “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position.”

Summary Data from Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years/periods indicated.

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net cash used in operating activities . . .	(92,880)	(73,013)	(36,600)	(40,819)
Net cash generated from/(used in) from investing activities	63,987	(138,671)	9,984	86,361
Net cash generated from/(used in) financing activities	37,957	242,497	18,451	(74,766)
Net increase/(decrease) in cash and cash equivalents	9,064	30,813	(8,165)	(29,224)
Cash and cash equivalents at the beginning of the year/period	23,114	31,738	31,738	63,091
Effect of foreign exchange rate changes, net	(440)	540	36	183
Cash and cash equivalents at the end of year/period	31,738	63,091	23,609	34,050

SUMMARY

In 2024, our net cash used in operating activities was RMB92.9 million. Our loss before tax was RMB158.3 million for the same year. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB58.4 million, equity-settled share-based payment of RMB4.3 million, depreciation of property, plant and equipment of RMB6.7 million and depreciation of right-of-use assets of RMB1.8 million, and (ii) changes in working capital, mainly including decrease in trade and bills payables of RMB5.4 million, partially offset by increase in other payables and accruals of RMB1.3 million.

In 2025, our net cash used in operating activities was RMB73.0 million. Our loss before tax was RMB141.6 million for the year. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB62.5 million, equity-settled share-based payment of RMB3.6 million, depreciation of property, plant and equipment of RMB7.0 million and depreciation of right-of-use assets of RMB1.8 million, and (ii) changes in working capital, mainly including decrease in trade and bill payables of RMB4.6 million, partially offset by increase in other payables and accruals of RMB2.5 million.

In the six months ended June 30, 2026, our net cash used in operating activities was RMB40.8 million. Our loss before tax was RMB85.2 million for the period. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB40.1 million, equity-settled share-based payment of RMB1.6 million, depreciation of property, plant and equipment of RMB3.5 million and depreciation of right-of-use assets of RMB1.0 million, and (ii) changes in working capital, mainly including decrease in other payables and accruals of RMB3.4 million, placement of pledged deposits of RMB1.3 million and increase in inventories of RMB0.6 million, partially offset by increase in trade and bills payables of RMB4.0 million.

WORKING CAPITAL

The Directors are of the opinion that, taking into account of the following financial resources available to us described below, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, selling and distribution expenses, administrative expenses, finance costs and other expenses for at least the next 12 months from the date of this Document: (i) our net operating cash flow; (ii) our cash and cash equivalents; (iii) our loan and credit facilities; (iv) our net proceeds from series D+ financing; and (v) the estimated [REDACTED] from the [REDACTED].

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures, and other scheduled cash payment. Assuming an average cash burn rate going forward of 2.4 times the level in the six months ended June 30, 2026 based on our future plans of an increasing number of clinical trials including Phase II clinical trial of PL-5 in the U.S, Phase II clinical trial of PL-18 gel formula in China and planned Phase I clinical trial of PL-MD-333 in China, taking into account the scheduled payment of indebtedness, we estimate that our cash at bank and on hand and committed unutilised banking facilities, together with other financial assets and time deposits as of June 30, 2026 will be able to maintain our financial viability for 25 months, or, if we also take into account the estimated [REDACTED] (based on the [REDACTED] of HK\$[REDACTED] per Share), 59 months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

We have no immediate plan for future financing after the [REDACTED] taking into account our available cash, [REDACTED] from the [REDACTED] and based on our cash burn rate. However, with the continuing expansion of our business and development of our drug candidates, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity offerings, debt financing and other sources. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

SUMMARY

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods indicated.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Current ratio ⁽¹⁾	0.07	0.23	0.11
Quick ratio ⁽²⁾	0.06	0.22	0.11

Note:

- (1) Current ratio is calculated based on the current assets divided by current liabilities.
- (2) Quick ratio represents current assets less inventories and divided by current liabilities.

RISK FACTORS

Our business and the [REDACTED] involve certain risks including those set out in the section headed “Risk Factors” in this document. As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our [REDACTED]. Some of the major risks that we face include: (i) our future growth largely relies on the strengths of our drug portfolio and the successful development of our drug candidates. If we fail to complete the clinical development and indication expansion of our drugs and drug candidates, to secure regulatory approvals for their commercialization, or experience significant delays in doing so, our business and financial prospects could be materially and adversely affected; (ii) the clinical trial results obtained in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions; (iii) given our limited marketing and sales experience, we rely on both our internal marketing team and third-party distributors to promote our drugs, and if we fail to enhance our sales and distribution capabilities, it could negatively impact our revenue and operations; (iv) we depend on third parties, such as SMOs, CROs or cooperation partners to conduct clinical trials and marketing activities. If these third parties fail to meet their contractual obligations, our drug development and other related processes may be delayed; (v) we may have difficulty securing adequate intellectual property protections for our drugs, which could allow third parties to compete directly if our rights are not adequately protected; (vi) the manufacturing of our drugs is governed by stringent quality controls and any issues in managing this process may adversely affect our business; (vii) we have consistently incurred significant net losses since our inception and expect to continue incurring net losses for the foreseeable future; and (viii) our historical operating and financial results may not reflect our future performance.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Chen Yuxin, chairman of the Board, an executive Director, chief executive officer, and president of our Company, was entitled to exercise voting rights in our Company in respect of (i) approximately 27.97% of our total issued Shares directly held by him and (ii) approximately 7.77% of our total issued Shares directly held by Jiangyin Puyuan, of which Dr. Chen was the executive and general partner. Pursuant to the partnership agreement of Jiangyin Puyuan, all management power and voting rights of Jiangyin Puyuan reside with its executive and general partner, Dr. Chen. As such, Dr. Chen (directly and indirectly through Jiangyin Puyuan) controlled approximately [35.74]% of the total issued share capital of our Company, and had, together with Jiangyin Puyuan, formed a group of controlling shareholders of the Company, as of the Latest Practicable Date and immediately prior to the completion of the [REDACTED]. Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision), Dr. Chen (directly and indirectly through Jiangyin Puyuan) will continue to control approximately [REDACTED]% of the total issued share capital of our Company. Dr. Chen and Jiangyin Puyuan will be our Single Largest Group of Shareholders upon [REDACTED]. Please refer to the section headed “Directors and Senior Management” for details relating to Dr. Chen’s experience and qualifications.

PRE-[REDACTED] INVESTORS

We have attracted certain Pre-[REDACTED] Investors through our Series Pre-A, Series A, Series B, Series C, Series D, and Series D+ Pre-[REDACTED] Investments, pursuant to which approximately RMB787 million in aggregate was raised. Among our Pre-[REDACTED] Investors, PICC Fund (by virtue of PICC Equity Investment, a sophisticated investor, being its executive and general partner) and

SUMMARY

Efung Runjun are our “Sophisticated Investor” as required by Chapter 18A of the Listing Rules, who have made meaningful investment in our Company at least six months before the [REDACTED]. Upon completion of the [REDACTED] (taking into account the Share Subdivision and assuming that the [REDACTED] is not exercised), PICC Fund and Efung Runjun will be interested in approximately [REDACTED]% and [REDACTED]% in the total issued share capital of our Company, respectively.

As of the Latest Practicable Date, save for the net proceeds received from the Series D+ Pre-[REDACTED] Financing which have not been utilized, we have utilized all the net proceeds received from the Pre-[REDACTED] Investments for developments and operation of our principal business of our Group. For further details of the backgrounds of our Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure — Details of the Pre-[REDACTED] Investments.”

[REDACTED]

[REDACTED] EXPENSE

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range stated in this Document), the [REDACTED], commissions, together with the Stock Exchange [REDACTED], SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the [REDACTED], which are payable by us are estimated to be RMB[REDACTED] (equivalent to HK\$[REDACTED]), of which RMB[REDACTED] are expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and RMB[REDACTED] are expected to be deducted from equity following the [REDACTED]. The [REDACTED] expenses consist of RMB[REDACTED] [REDACTED]-related expenses and RMB[REDACTED] non-[REDACTED]-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB[REDACTED] and other fees and expenses of RMB[REDACTED]), representing [REDACTED]% of our [REDACTED] from the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate and are provided for reference only, and actual amounts may differ.

SUMMARY

DIVIDENDS AND DIVIDEND POLICY

No dividend has been declared or paid by entities comprising our Group.

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 shareholders’ meeting 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. As advised by our PRC legal Advisor, 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. 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.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and other estimated expenses paid and payable by us in connection with the [REDACTED], assuming the [REDACTED] being not exercised and an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range stated in this Document). We intend to use the [REDACTED] from the [REDACTED] for the following purposes: (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the R&D of our Core Product; (ii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used to fund the clinical trial research of our key products PL-3301 and PL-18; (iii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used to fund the clinical trial research of PL-MD-333; (iv) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used for the R&D of our other preclinical candidates; (v) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used for the upgrade and iteration of our technology platforms; (vi) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used for potential strategic acquisitions, investments or collaborations which are in line with our growth strategies; (vii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be allocated to product commercialization and marketing network development; and (viii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used for working capital and other general corporate purposes.

RECENT DEVELOPMENT

We expect a net loss in 2026 primarily due to expected increases in (i) R&D expenses in relation to our pipeline drugs; and (ii) expenses in connection with the [REDACTED] incurred in 2026.

We entered into Cooperation Agreement with Chia Tai Tianqing for sales of PL-5 in December 2022. According to the Cooperation Agreement, Chia Tai Tianqing shall prompt us to sell PL-5 to customers appointed by it and we shall pay service fees to Chia Tai Tianqing. Therefore, we are in charge of the product R&D, manufacturing, product sales and product delivery. In order to have a stable product supply, we plan to construct our own API production facility in Taizhou, Zhejiang Province, which is currently in the planning and design stage. We view it as a key component of our supply chain integration strategy, designed to: (i) ensure a stable supply of APIs for our Core Product and other pipeline drugs, thereby reducing our reliance on external suppliers while optimizing our overall cost of sales and shielding us from external price fluctuation; and (ii) strengthen the protection of our key API manufacturing process know-how and intellectual property. We plan to fund it by our self-raised funds.

SUMMARY

Regulatory Updates

On December 18, 2025, the BIOSECURE Act (the “**BIOSECURE Act**”) was enacted as Section 851 of the National Defense Authorization Act for Fiscal Year 2026 (the “**FY2026 National Defense Authorization Act**”). Prohibitions in the BIOSECURE Act will not take effect until the U.S. Office of Management and Budget (the “**OMB**”) issues implementing guidance and relevant federal regulations are finalized. The timing and substance of such enabling regulations remain subject to uncertainty and may differ materially from current expectations. For further details, see “Regulatory Overview — U.S. Regulation — U.S. BIOSECURE Act.”

We will continue to closely monitor and evaluate the potential impact of the BIOSECURE Act on our business and operations, including the release of forthcoming guidance and regulations. We have identified potential alternative service providers for relevant preclinical research, clinical research and CDMO services, including established CROs and CDMOs with experience supporting international regulatory submissions, which are generally capable of providing comparable services on commercially reasonable terms and supporting submissions to the FDA and the NMPA. We will maintain strong business relationships with all of our existing suppliers as well as a list of qualified alternative suppliers capable of providing equivalent services.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position or 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 in Appendix I to this Document.