An **[REDACTED]** *in our H Shares involves significant risks. You should carefully consider all of the information in this document and in particular the risks and uncertainties described below, before making an* **[REDACTED]** *in our H Shares. In particular, we are a company seeking to* **[REDACTED]** *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the pharmaceutical industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the* **[REDACTED]** *of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document. You should seek professional advice from your relevant advisors regarding your prospective **[REDACTED]** *in the context of your particular circumstances.*

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our drug development; (ii) risks relating to our drug commercialization; (iii) risks relating to the third parties; (iv) risks relating to our intellectual property rights; (v) risks relating to our manufacture and supply chain; (vi) risks relating to our financial position and need for additional capital; (vii) risks relating to government regulations; (viii) risks relating to our general operations; and (ix) risks relating to the **[REDACTED]**.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also have a material adverse effect on our business, financial condition, results of operations, and prospects. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR DRUG DEVELOPMENT

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.

Our business substantially depends on the successful clinical development, regulatory approval and commercialization expansion of our drug candidates. These include our Core Product PL-5, key products PL-3301 and PL-18, and other drug candidates, which are at various stages of registration, clinical studies, experimentation, and design. These drug candidates will continue to incur significant costs and expenses as they advance. In 2024, 2025 and the six months ended June 30, 2026, our R&D expenses amounted to RMB80.7 million, RMB57.2 million and RMB24.4 million, respectively. The successful development of our drug candidates is essential for expanding and strengthening our drug portfolio. As such, we expect to continue incurring substantial and increasing expenses in the foreseeable future as we advance the development of these drug candidates.

The success of our drug candidates is contingent upon several critical factors, including but not limited to: (i) successful enrollment in and completion of clinical trials, along with the completion of pre-clinical studies; (ii) favorable safety and efficacy data from our clinical trials and other studies; (iii) receipt of necessary regulatory approvals, including authorization from regulatory authorities or ethics committees to conduct the clinical trials; (iv) expansion of commercial manufacturing capabilities, either by constructing facilities ourselves or entering into agreements with third-party manufacturers; (v) ensuring that third parties engaged by us perform in compliance with our protocols and applicable laws, and protect the integrity of our data; (vi) securing and maintaining patent, trade secret, and other intellectual property protections, as well as regulatory exclusivity; (vii) avoiding infringement,

misappropriation, and violation of third-party intellectual property rights; (viii) successful commercial launch of our drug candidates subsequent to their regulatory approval; (ix) securing favorable governmental and private medical reimbursement for our drugs; (x) competing effectively within the anti-infective drug market, vulvovaginal candidiasis drug market and oral candidiasis drug market; and (xi) maintaining a satisfactory safety profile following regulatory approval.

As of the Latest Practicable Date, we had three drug candidates in the clinical stage and multiple drug candidates in pre-clinical development. There is inherent uncertainty as to whether clinical outcomes observed in trials of locally administered drugs can translate into regulatory approval. Regulatory approval will depend not only on its anti-infective efficacy, but also on whether the selected endpoints are acceptable to the NMPA and whether the product demonstrates overall clinical benefits, including its impact on wound healing. For instance, the NMPA has requested us to conduct an additional Phase IIIb clinical trial to further demonstrate the Core Product's impact on wound healing. Therefore, if we fail to demonstrate acceptable outcomes, the NMPA or other applicable regulators may delay, refuse or condition approval of our product candidates, which could materially and adversely affect their development and commercialization. Our costs will also increase if we experience significant delays or are unable to obtain regulatory approval or successfully commercialize our drug candidates.

Failure or delays in overcoming these challenges could result in: (i) delayed or denied regulatory approvals, preventing timely drug commercialization; (ii) restricted or narrowed indications for use, limiting the patient population; (iii) post-approval safety concerns that may lead to regulatory warnings, drug recalls, or market withdrawal; and (iv) challenges in achieving sufficient distribution and market acceptance, affecting profitability and market penetration.

Addressing these factors effectively is crucial to achieving our development goals. Otherwise, our business prospects could be adversely affected.

The clinical trial results obtained in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions.

As of the Latest Practicable Date, we are conducting and planning clinical trials for our drug candidates, including PL-5, PL-18, and PL-3301, in multiple jurisdictions such as Chinese Mainland and the U.S. The regulatory frameworks, clinical trial requirements, and approval standards of the NMPA, FDA, and other regulatory authorities may differ significantly and are subject to change. As a result, clinical data generated in one jurisdiction may not be deemed sufficient by regulatory authorities in other jurisdictions to support clinical trial applications or marketing approvals. For example, the FDA may not fully accept the clinical data generated from our clinical trials conducted in Chinese Mainland. FDA's no objection to proceed directly into Phase II clinical trial in respect of our Core Product does not equivalent to FDA's acceptance of the efficacy of the data obtained from the Chinese Mainland for the registration in the U.S., nor does it guarantee that the endpoints of the Phase II and III clinical trials in the U.S. would support FDA approval. Meanwhile, the NMPA may require additional bridging studies for data generated overseas. If regulatory authorities require us to conduct additional, broader, or more complex clinical trials beyond our current development plans, it may increase our research and development costs, prolong our approval timelines, and materially and adversely affect our business, financial condition, and results of operations.

The anti-infective drug market faces fierce competition from established players, emerging technologies, and well-funded competitors, with risks including superior drugs, faster regulatory approvals, and consolidation that could undermine our market position.

Anti-infective market is a mature and relatively stable therapeutic area with slow innovation in recent years. For details of the competitive landscape in the anti-infective drugs market, please see "Industry Overview." If we are unable to improve our drug performance and secure broad market recognition, we may face limited acceptance of our future drugs. Furthermore, the emergence of new technologies could enhance competition in our sector.

If our competitors introduce drugs that are safer, more cost-effective, more convenient or demonstrate higher clinical efficacy than our own, our commercial opportunities could be significantly reduced. Additionally, competitors may seek regulatory approvals in China or other jurisdictions for drugs with similar intended uses, potentially causing delays in the approval process for our drugs. The timing of regulatory reviews by authorities, such as the NMPA, is unpredictable, particularly when

multiple applications for similar drugs are under concurrent review, which could extend the approval timelines for our drug candidates. Moreover, our competitors may receive earlier approval or have already obtained approval in both China and internationally, enabling them to establish a dominant market position ahead of us.

Additionally, collaborations and mergers in the drug sector could further consolidate resources within a few large companies, raising the barriers to competition. Smaller, early-stage companies may still represent considerable competition, particularly through strategic partnerships or acquisitions with larger, more established firms. These competitors compete with us for talents, including qualified R&D, management, and sales personnel, as well as for clinical trial sites, patient enrollment, distribution partners, and access to technologies that are critical to advancing our programs.

Some of our competitors may have greater financial resources, technical expertise, and experience in R&D, clinical trials, regulatory approval processes, and marketing than we do. Failure to compete effectively may result in a loss of market share, reduced revenue, and negative impacts on our growth prospects and position within the industry. Consequently, any challenges in competing against these well-resourced players could materially affect our business, financial condition, and future operations.

Our drug candidates could potentially cause unanticipated side effects or exhibit other issues that may lead to significant negative outcomes.

All drugs may carry the risk of side effects that may lead to adverse outcomes. If any undesirable effects are identified, whether directly or indirectly related to our drugs, we may face several significant adverse consequences, including: (i) regulatory authorities may revoke or suspend approvals, authorizations, or clearances for the affected drug; (ii) regulatory authorities may impose additional labeling requirements, such as enhanced safety warnings, restrictions on dosage regimens or limitations on concomitant use with other drugs; (iii) we may be required to issue safety notices or advisories to healthcare providers or patients regarding the risks associated with the affected drug; and (iv) we may face litigation and be held liable for injuries or damages caused to patients.

Any of these events may decrease the acceptance or continued usage of the affected drug or drug candidates. These developments could materially and adversely affect our business, financial condition, and results of operations.

Failure to advance our pipeline candidates and launch competitive new drugs in a timely manner may delay our market entry, prevent us from establishing a sustainable product portfolio, and significantly harm our financial condition and results of operations.

The emergence of innovative technologies, breakthroughs in medical research, or evolving market preferences could further challenge our ability to establish and maintain competitiveness in the marketplace. Even if we successfully advance our pipeline drug candidates to commercialization, our efforts to bring these products to market may be hindered by obstacles such as regulatory approval delays and restrictions on approved indications.

Delays in the development and launch of our pipeline drug candidates could prevent us from capturing market opportunities or leave us at a competitive disadvantage relative to peers with earlier market entry. Therefore, while we are required to invest significant time, resources, and capital in research and development, there can be no guarantee of success. Should our pipeline candidates fail to meet market expectations or be outperformed by competitors' superior products, we may be unable to recoup our development costs or achieve anticipated financial returns. These challenges could have a substantial adverse impact on our business operations and financial condition.

Given our limited resources and focus on specific drugs, we may fail to accurately assess market potential and capitalize on emerging technologies that could prove more profitable in the future.

We possess limited financial and managerial resources and currently concentrate our development efforts on drugs with selective applications. However, our current strategic focus may not lead to commercially successful outcomes, potentially causing us to overlook more promising market opportunities. If we fail to accurately assess the commercial viability or target markets of our drugs, or if we do not identify and prioritize opportunities that later prove to be more profitable or more likely to succeed, our operations could be negatively impacted, potentially resulting in material adverse effects on our financial performance.

To remain competitive, we must continuously adapt to emerging technologies and methodologies in R&D. This necessitates substantial investments of both human and financial resources to develop or acquire advanced technologies. However, we may still fail to effectively identify new technological opportunities or successfully enhance and integrate innovations into our operations.

Difficulties in enrolling patients may delay or adversely affect the progress of our clinical trials.

The identification, screening, and enrollment of participants are essential to the success of our clinical trials. We may face challenges in identifying and recruiting a sufficient number of participants with the necessary or desired characteristics, as defined in the eligibility criteria of our protocols, in order to complete our clinical trials within the planned timetable. The progress of our clinical trials depends not only on our ability to recruit participants who meet the criteria, but also on our ability to ensure their continued participation until the clinical trials are concluded and, where required, to complete any necessary follow-up assessment.

Our clinical trials may compete with those involving similar drug candidates. Such competition can limit the pool of potential participants available to us, as certain individuals may have chosen to participate in the clinical trials conducted by our competitors instead. Additionally, we may be conducting some of our clinical trials at the same sites as our competitors. This overlap may further reduce the number of patients available for our clinical trials at those shared locations.

Delays in the enrollment of participants in our clinical trials could lead to increased expenses and potentially impact the timing or outcomes of our planned clinical trials. This, in turn, may postpone the completion of these trials and negatively affect our ability to progress the development of our drug candidates or expand indications for our existing drugs.

If we are unable to enroll a sufficient number of participants to meet regulatory requirements or produce meaningful statistical data, our clinical trial costs could increase, and the planned clinical trial phases may not be completed as scheduled or at all. Such delays could impair our ability to advance our drug candidates and secure the necessary regulatory approvals within our anticipated timelines.

Our anti-infective drug candidates, including our Core Product, may become less effective due to the evolving nature of bacterial resistance in the future.

Bacterial resistance is inherently evolving, and pathogens may adapt under selective pressure. PL-5, our Core Product, is designed to disrupt microbial membranes through its membrane-discrimination mechanism, which may reduce the likelihood of resistance development. However, this does not assure that resistance or reduced susceptibility will not emerge following broader, prolonged or widespread clinical use.

If bacteria develop resistance or reduced susceptibility to PL-5 or our other drug candidates, their efficacy, clinical utility, market acceptance and commercial potential may be affected. In addition, we may also need to conduct additional studies, adjust treatment regimens or develop new candidates, which could increase our costs, delay our drug development or commercialization and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR DRUG COMMERCIALIZATION

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.

Under our business model, we may not expend extensive resources on establishing a dedicated sales and marketing team in the short run. Instead, we will primarily focus on cultivating value-accretive partnerships with leading industry players for large-scale projects, leveraging their established distribution channels, robust sales and marketing capabilities, capital resources, and market intelligence and insights to achieve fast market access for our products across large indications and international markets in a cost-effective way. Additionally, we may work with third-parties in the PRC to promote and sell our drugs. Since we have no drug in the commercial stage and do not have a sophisticated marketing team yet, our experience in drug launch and commercialization is relatively

limited compared to other companies in the industry. This includes but is not limited to building and managing sales forces, conducting thorough market analyses, and securing necessary licenses and approvals. For details of our distribution model, please see "Business — Commercialization."

Our ability to commercialize pipeline drugs, even subsequent to drug approval, may face significant risks, including higher costs, longer timelines, and challenges in effectively scaling operations.

Further, our ability to execute our marketing model depends on attracting, motivating, and retaining skilled marketing and sales personnel with expertise in relevant medical areas. Competition for recruiting talent is intense. If we are unable to secure sufficiently qualified personnel or establish effective partnerships, it could adversely affect sales, hinder our ability to extend hospital coverage, and limit market penetration. Moreover, working with third-parties to promote and sell our drugs may introduce additional risks, as we have limited control over their marketing efforts, which could result in lower revenue compared to direct commercialization.

Our commercialization efforts are in a relatively early stage, and the future growth and profitability remain uncertain.

As of the Latest Practicable Date, we had no drugs at the commercial stage; however, we have launched a range of daily-care products that generate sales revenue. A substantial part of our revenue during the Track Record Period, has been derived from the sale of our daily-care products. However, the demand for our daily-care products may not continue to grow as anticipated. Additionally, our sale of daily-care products will not be our core business and cannot support our operation.

If our drug candidates are not commercialized as we expected, we would not be able to operate our company on a continuous basis. Furthermore, our pipeline drugs, once approved and marketed, may not deliver the satisfactory sales performance or profit margins we project, as they may be adversely affected by factors outside of our control. These factors may include, without limitation, downward pricing pressures, public health emergencies, changes in doctors' and patients' preferences, expiration of patent protections, the emergence of replacement drugs, disruptions in manufacturing or distribution, issues relating to drug quality or adverse events following procedures, changes in medical insurance coverage, and potential disputes over intellectual property or other matters with third parties. Additionally, there can be no assurance that we will successfully develop or acquire new drugs to diversify our drug candidates' portfolio, nor that we will be able to do so in a timely or competitive manner or at all.

Any severe adverse events caused by or associated with our drugs could harm our reputation and financial position and, limit the commercial viability of our drugs.

Our drug candidates, including those in the R&D or pre-commercialization registration stages, may potentially cause unintended adverse events, either directly or due to factors beyond our control. These factors could include complications not identified during clinical trials, rare but severe side effects, defects that our quality control system fails to detect, or improper use of our drugs. Our drugs may also be perceived as causing adverse events, even if definitive causality is not established.

Moreover, regulatory bodies in various jurisdictions may scrutinize our drugs if other drugs containing similar components or technologies are associated with severe adverse events. In such cases, we could face a range of serious consequences, including: (i) significant reduction in the demand and sales of the affected drugs; (ii) drug recalls; (iii) revocation of regulatory approvals for the affected drugs or facilities; (iv) damage to the reputation of our drugs and our brand; (v) removal of drugs from insurance coverage; and (vi) exposure to legal actions, regulatory investigations, and potential penalties, fines, or liabilities. These potential outcomes could materially and negatively impact our sales, profitability, and overall business outlook.

Even if our pipeline drugs receive regulatory approval, we may not gain widespread market acceptance or maintain a strong reputation for our drugs and future offerings.

The commercial success of our drug candidates relies heavily on achieving widespread market acceptance, particularly among hospitals, doctors, and patients. Even if approved, our drugs may face challenges in gaining sufficient market acceptance due to competition from existing, well-established replacement drugs and novel alternatives that may emerge. Doctors and patients may prefer familiar traditional drugs or our competitors' drugs due to factors such as pricing, established efficacy, and market penetration. Furthermore, doctors' willingness to adopt our drugs will depend on their

perception of our drugs' safety, efficacy, and advantages over existing solutions. Even if clinical trials demonstrate favorable outcomes, adoption may be hindered by the need for training or the familiarity of physicians with existing or alternative options.

Several factors will influence the degree of market acceptance of our drugs, including: (i) the clinical indications and applications for which our drugs are approved; (ii) doctors', hospitals', and patients' perceptions of our drugs as safe, effective, and preferable; (iii) comparative advantages and perceived disadvantages of our drugs relative to competing solutions; (iv) prevalence and severity of adverse events or complications; (v) labeling limitations or warnings approved by regulatory authorities; (vi) timing of market introduction relative to competitors' drugs; (vii) costs of diagnosis and treatment in comparison to alternative solutions; (viii) availability and adequacy of medical insurance coverage, reimbursement, and pricing by government authorities; (ix) willingness of patients to bear out-of-pocket costs in the absence of insurance coverage; and (x) effectiveness of our sales, marketing, and training efforts.

If our drugs fail to achieve sufficient market acceptance or if we are unable to maintain strong relationships with key stakeholders, we may not generate significant revenue and could fail to achieve profitability. Even after initial adoption, our market position could be affected over time if newer drugs or technologies are introduced that are perceived as more effective, cost-efficient, or superior.

We also recognize the importance of strengthening our brand image to achieve market recognition and build trust with our stakeholders. However, efforts to enhance our brand and expand market awareness may require substantial investments and may not yield immediate or proportional financial returns. Any negative publicity surrounding us or the broader industry could further undermine our reputation or business, hindering the growth and acceptance of our drugs in the market.

We may not succeed in building, expanding or integrating our in-house sales and marketing force successfully.

Our ability to successfully market our drugs or drug candidates (after obtaining the approval) may involve more inherent risks, take longer and cost more than it would if we were a company with sufficient experience launching such drugs and drug candidates. Given we had no drug candidates commercialised, we have relatively limited experience in commercializing such drug candidates.

The success of our sales and marketing efforts also depends on our ability to attract, motivate, and retain qualified and professional employees in our sales and marketing team who have, among other things, sufficient expertise in the drug candidates' area and can communicate effectively with medical professionals. However, competition for experienced sales and marketing personnel is intense. If we are unable to attract, motivate, and retain a sufficient number of qualified sales and marketing personnel to support our business, our business and results of operations may be negatively affected.

Guidelines, recommendations, and studies published by various organizations could disfavor our drugs.

Government bodies, professional associations, healthcare management groups, and private organizations focused on various indications may issue guidelines, recommendations, and studies that impact our drugs or those of our competitors. For instance, the government may establish regulations regarding the use of antimicrobial peptide ("**AMP**") anti-infective drugs. These regulations could influence the sales and utilization of our drugs, which in turn could affect our financial conditions. However, any changes to these guidelines, recommendations, or studies that negatively affect our drug candidates could lead to reduce the future usage, sales, and revenue for our drugs. Additionally, our success is partly reliant on our ability to educate physicians and patients about our drugs, but these efforts may be affected by third-party guidelines, recommendations, and studies.

The potential downward change in the pricing of our drugs due to factors such as increased competition, governmental price controls, or inclusion in medical insurance reimbursement lists may adversely impact our sales.

Our ability to successfully commercialize and sell our drugs depends on the availability and scope of medical insurance coverage for treatments involving our drugs. In China, the medical insurance reimbursement policies differ widely across regions, as local governments must approve coverage on a case-by-case basis.

Insurers or government reimbursement policies may not favor our drugs. Without adequate reimbursement coverage, medical institutions may prioritize recommending alternative treatments, and patients may choose these options, potentially reducing demand for our drugs and adversely affecting our business performance.

As the competitive landscape evolves and alternative options increase in the market, pricing strategies may become increasingly critical to our ability to expand market penetration and achieve sustainable growth. Any significant downward change in drug pricing could materially and adversely impact our business, financial condition, and results of operations.

We have operated mainly within Chinese Mainland thus far, and expanding internationally poses significant challenges due to diverse regulatory requirements, cultural differences, and operational risks, potentially delaying global growth.

We will focus on the Chinese market in the short run, but could not rule out the possibility of expanding to international markets. When we manage to sell or manufacture our drugs abroad in the future, our limited experience in foreign markets presents various risks and uncertainties, including but not limited to: (i) navigating different regulatory frameworks, government policies, and regulatory bodies that may vary significantly from those in China; (ii) the time and resources required to obtain approvals for clinical trials, drug registrations, and sales in new markets; (iii) limited familiarity with the commercial dynamics and lack of established sales and marketing infrastructure in international markets; (iv) collaborating with overseas partners to develop, distribute and market our drugs; (v) potential drug liability claims, regulatory scrutiny, and associated costs related to the marketing and sale of drugs in foreign markets, including challenges in securing sufficient insurance coverage; (vi) the significant time and effort required to comply with general compliance requirements, local laws, regulations, and data privacy and security requirements, including cross-border data transfers; (vii) risks arising from changes in tariffs, trade barriers, and other evolving regulatory requirements; (viii) economic instability, inflation, and their impact on business operations; (ix) difficulty in enforcing contractual rights in international jurisdictions; (x) the risk of insufficient intellectual property protections and potential infringements in overseas markets; (xi) compliance with foreign tax, employment, immigration, and labor regulations for staff working abroad; (xii) unfamiliar foreign tax structures, which could lead to unexpected tax liabilities; (xiii) fluctuations in currency exchange rates; (xiv) labor disputes or workforce instability in international markets; and (xv) potential disruptions caused by geopolitical events, such as wars, natural disasters, terrorism, trade wars, or sanctions.

Our expansion into international markets requires significant management resources and entails challenges such as cultural barriers, complex regulatory landscapes, and differing commercial infrastructures. Entering new jurisdictions involves substantial costs with no guarantee of market acceptance, and the diversion of senior management's focus could adversely affect our core operations in China. Furthermore, international drug sales are subject to country-specific regulatory requirements, which vary significantly in stringency and duration. The process of obtaining necessary marketing approvals can be time-consuming and expensive, and timely clearance in all target markets may not be achieved. Failure to comply with local regulations or delays in one jurisdiction may hinder approvals in others, potentially preventing us from commercializing our drugs globally and materially impacting our business growth.

Additionally, international business entails other risks and challenges, including data security concerns, intellectual property protection challenges, financial risks, and unforeseen events such as natural disasters, political instability, or other force majeure situations. Since we have overseas subsidiaries, any failure or delay in managing our overseas directors, senior management and employees (if applicable) including oversight of their performance, legal compliance, and cultural integration could

materially and adversely affect our business, financial condition, and reputation. These risks could also hinder or delay our ability to expand into international markets and could materially adversely affect our operations, financial results, and long-term business prospects.

RISKS RELATING TO THE THIRD PARTIES

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.

We rely on third-party service providers, such as SMOs, CROs and other cooperation partners, to assist in the execution, monitoring, and management of our clinical studies. During the Track Record Period, we engaged with (i) five, six and three CROs in 2024, 2025 and the six months ended June 30, 2026, respectively; and (ii) one, two and one SMOs in 2024, 2025 and the six months ended June 30, 2026, respectively. The aggregate expenses incurred in relation to the (i) engaged CROs amounted to approximately RMB28.5 million, RMB18.8 million and RMB9.0 million in 2024, 2025 and the six months ended June 30, 2026, respectively; and (ii) engaged SMOs amounted to RMB0.3 million, RMB0.2 million and RMB0.5 million in the same period, respectively. However, if these third parties fail to perform their contractual obligations, adhere to expected deadlines, or comply with regulatory requirements, such as clinical, laboratory, or manufacturing standards, the development and commercialization of our drugs and drug candidates may be significantly delayed. Moreover, if any of these third parties terminate their agreements with us, fail to allocate sufficient time and resources to our projects, or perform in a manner that compromises the quality or accuracy of data, we may face delay in completing these studies or even fail to meet regulatory requirements.

Such failures could result in rejection or non-acceptance of our study data by regulatory authorities, including the NMPA or equivalent authorities in other jurisdictions, thereby increasing R&D expenses and extending timelines for our affected drugs or drug candidates. Additionally, should these third parties encounter setbacks such as operational disruptions, data inaccuracies, or compliance issues, our ability to meet anticipated development and commercialization schedules may be compromised. Furthermore, as we depend on relationships with physicians to support the development and promotion of our drugs, any inability to maintain these relationships may adversely impact our clinical programs and marketing efforts. Consequently, these risks could materially and adversely affect our business, financial condition, and prospects.

We may face risks with our collaborations, licensing arrangements, and strategic partnerships with third parties.

We may pursue strategic collaborations, joint ventures, or licensing arrangements to advance the R&D and commercialization of our drug candidates. However, these complex arrangements are highly competitive to secure and may not deliver the intended benefits. Our collaborators retain significant discretion over their resource allocation and may shift priorities, causing delays, trial cessations, or the abandonment of programs. Furthermore, disputes may arise regarding financial milestones or the ownership of intellectual property, potentially leading to costly litigation or limiting our exclusive commercialization rights. Should a collaboration terminate, we may be forced to independently fund development, which could require expertise or capital beyond our available resources. Any failure to establish or maintain successful partnerships on favorable terms could significantly impair our ability to generate revenue and materially harm our business prospects and financial condition.

The commercialization of our Core Product in the Chinese Mainland market highly relies on Chia Tai Tianqing, and any failure by Chia Tai Tianqing to perform its contractual obligations may adversely affect our business operations.

In December 2022, we entered into an exclusive commercial cooperation agreement with Chia Tai Tianqing in respect of sales of our Core Product, pursuant to which Chia Tai Tianqing is granted exclusive rights to manage distribution, channel strategy, tendering, NRDL access and marketing execution in Chinese Mainland, while we retain responsibility for manufacturing, supply, regulatory matters and product quality. For details, please see "Business — Our Collaborations And Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing."

Our reliance on Chia Tai Tianqing exposes us to certain risks as our commercialization success of our Core Product in the Chinese Mainland is substantially dependent on its execution and commercial capabilities. Any failure by Chia Tai Tianqing to effectively implement sales and market access strategies, secure favorable pricing or NRDL outcomes, or maintain distributor and hospital coverage could adversely affect the sales of our Core Product. In addition, the exclusivity arrangement limits our ability to engage alternative partners. Any disagreements under the joint steering committee mechanism or any deterioration in the cooperation or termination of the agreement may result in delays or disruption to commercialization activities, which may materially affect our business, financial condition and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

Our intellectual property rights may have limited lifespan.

The limited lifespan of patents means that protections may expire before or shortly after the commercialization of certain pipeline drugs, especially those requiring lengthy development and regulatory review. For example, in December 2025, a Chinese patent we licensed from the University of Colorado covering the underlying antimicrobial peptide compound of our Core Product expired, and a U.S. patent we licensed from the University of Colorado covering the same compound is expected to expire in October 2028. Upon expiration, our exclusivity may diminish and competitors may freely commercialize similar or identical drugs, eroding our market position. Additionally, if we fail to obtain trademark protections for our primary brands, we may be forced to change branding, which could negatively impact our business. The limited lifespan of patents or failure to obtain trademark protections could materially harm our competitive position.

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.

The success of our business relies heavily on our ability to protect our proprietary technologies, drugs, and drug candidates through intellectual property rights, including patents, trade secrets, and related regulatory protections. 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. However, they may be subject to governmental or third-party objections, potentially affecting their issuance or maintenance. To maintain a competitive edge, we employ a multi-faceted strategy, including filing patent applications in major jurisdictions where we intend to market our drugs, relying on confidentiality agreements, and leveraging regulatory safeguards. Securing and enforcing intellectual property rights is both costly and time-intensive. We may encounter challenges in identifying patentable aspects of our research promptly, filing all necessary or desirable applications within a reasonable timeframe or budget, and obtaining enforceable rights that provide sufficient protections.

The protection of our innovations is subject to inherent uncertainties and risks. Patent applications may be rejected due to lack of novelty or obviousness, and issued patents may be invalidated, narrowed, or circumvented by competitors. Under the "first-to-file" systems in jurisdictions like China and the U.S., earlier third-party filings can preclude us from securing rights to our own inventions. Furthermore, because patent applications often remain unpublished for 18 months, we may be unable to ascertain whether overlapping technologies have already been claimed by others.

Even if patents are successfully registered, they remain vulnerable to post-grant challenges, including re-examinations and litigation, which may render them unenforceable. Enforcement of these rights also varies by jurisdiction; in regions with less robust legal frameworks, preventing infringement or the export of competing drugs may be difficult. Additionally, any breach of confidentiality by employees or collaborators could lead to public disclosure, jeopardizing the patentability of our trade secrets. Collectively, inadequate intellectual property protection or adverse rulings in disputes could materially harm our competitive position, financial condition, and long-term growth prospects.

Potential challenges by third parties regarding our in-licensed intellectual property may adversely affect our ability to use such IP and impose material restrictions on the development and commercialzation of it.

Since the compound patents of Our Core Product PL-5 is owned by the University of Colorado, these patents are exposed to potential risks of challenges, oppositions or claims by third parties. Any such actions could materially and adversely affect the legality, stability, and exclusivity of our use of

such intellectual property rights, thereby restricting our rights to develop and commercialize our Core Product. We have in-licensed two compound patents from the University of Colorado, one of which in China has expired in December 2025 and the other one in the U.S. will expire in 2028.

Furthermore, if any third party files challenges, oppositions, invalidation requests or infringement litigation against the validity, scope of infringement or other aspects of such in-licensed patent, we may be restricted from using the relevant in-licensed patent, which may delay the research and development, registration and commercialization of our products, or have a material adverse impact on our collaborations, market competitive position and operating results.

We may be involved in disputes and similar proceedings for alleged intellectual property infringement, leading to uncertain outcomes and significant costs. We may also face expensive, time-consuming lawsuits to protect our patents, which could be ruled invalid or unenforceable, delaying our drug commercialization.

We are subject to the risk of intellectual property disputes, including claims of infringement, misappropriation, and contested ownership. The rapid pace of innovation and the proliferation of patents in the pharmaceutical industry increase the likelihood of such conflicts, as we may inadvertently utilize technology covered by third-party rights. Regardless of merit, these legal proceedings can be costly, divert critical management and technical resources, and harm our reputation or share price. An unfavorable outcome could result in substantial damages — including treble damages for willful infringement — injunctions halting our operations, or the necessity of seeking licenses that may not be available on commercially reasonable terms. Furthermore, the termination of key licensing agreements could deprive us of essential intellectual property.

We may also need to initiate litigation or administrative proceedings, such as those before the China National Intellectual Property Administration ("**CNIPA**"), to enforce our rights or challenge third-party patents. Such actions are often met with counterclaims and carry the risk that our own patents could be narrowed, invalidated, or deemed unenforceable due to prior art or other legal challenges. Competitors with greater financial resources may be better positioned to sustain these protracted disputes. Ultimately, any failure to protect our proprietary information or successfully defend against infringement claims could lead to the loss of market exclusivity, increased operating losses, and a material adverse effect on our business, financial condition, and growth prospects.

Maintaining our patent protections requires ongoing procedural compliance, and administrative lapses may affect the scope or duration of protection.

Our ability to obtain and maintain patent protections relies on adhering to various procedures, documentation, fee payments, and other requirements established by governmental patent authorities. Administrative lapses in fulfilling these obligations may lead to expiration, withdrawal, or limitation. Maintenance fees for issued patents must be paid periodically to the CNIPA, and other relevant patent offices at several intervals throughout the patent's validity period. These agencies also mandate compliance with numerous procedural, documentary, fee-related, and other requirements during the patent application process. Failure to meet such requirements could result in the withdrawal or expiration of a patent or application, thereby causing a partial or total reduction of patent rights in the affected jurisdiction. Potential issues include missing deadlines for responding to official actions, failure to pay requisite fees, or improper submission of required legal documents. Such occurrences could allow competitors to penetrate the market, which would potentially affect our competitive position.

If we are unable to maintain the confidentiality of our trade secrets, it could materially harm our business and competitive position. Also, we may be exposed to claims alleging that our employees have wrongfully used or disclosed trade secrets.

In addition to patents, we rely on trade secrets, unpatented know-how, and proprietary information to maintain our competitive position. The application of confidentiality and invention assignment agreements with our employees, consultants and collaborators may not effectively prevent unauthorized disclosure or misuse. Legal remedies for breaches can be costly and unpredictable, and we cannot prevent competitors from independently developing or lawfully obtaining our trade secrets. Furthermore, we face potential claims that our personnel, including senior management, have inadvertently or willfully used the intellectual property of former employers. Such allegations, regardless of merit, could lead to expensive litigation, loss of rights, or personnel disruptions. We also face risks concerning the ownership of intellectual property if assignment agreements are not properly

executed or are challenged. Any failure to protect our trade secrets or resolve ownership disputes could result in significant financial liability and the loss of critical proprietary rights, materially harming our business operations.

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

The future protection provided by our intellectual property rights is subject to significant uncertainty and may not adequately sustain our competitive advantage. Our proprietary position may be undermined if competitors develop similar technologies not covered by our patent claims, or if our patents are challenged, invalidated, or deemed unenforceable. We face risks that we or our licensors were not the first to invent or file for certain innovations, and pending applications may fail to result in issued patents. Furthermore, competitors may exploit jurisdictions where we lack protection, or we may fail to patent critical trade secrets and know-how, leaving them vulnerable to third-party claims. Our brand recognition is also at risk from trademark challenges or the adoption of confusingly similar trade names by others. Should any of these risks materialize, they could materially and adversely affect our business, financial condition, and growth prospects.

Changes in patent law could reduce the value of our patents overall, which may weaken our ability to protect our drug candidates.

Changes in patent laws or their interpretation may significantly reduce the overall value of patents, thereby limiting our ability to safeguard our drugs. Decisions by regulatory bodies such as the National People's Congress of China ("**NPC**") and the CNIPA could result in amendments to patent laws and regulations that undermine our capacity to secure new patents or enforce existing ones. Similarly, legislative reforms in jurisdictions such as the United States, coupled with recent Supreme Court decisions, have narrowed the scope of patent protections in specific instances and diminished the rights of patent holders. These developing legal landscapes introduce considerable uncertainty regarding our ability to obtain and enforce patents in the future, as well as the potential commercial value of any patents we may secure.

RISKS RELATING TO OUR MANUFACTURING PROCESS AND SUPPLY CHAIN

The manufacturing of our drugs is governed by stringent quality controls and any issues in managing this process may adversely affect our business.

The manufacturing of our drugs is a highly intricate and rigorous process, subject to stringent quality controls and regulatory requirements. Given the severe and costly consequences of drug manufacturing failure, maintaining high-quality standards is critical. However, challenges may arise during the manufacturing process due to various factors, including equipment malfunctions, human error, failure to adhere to protocols and procedures, raw material issues, software malfunctions, or unforeseen environmental factors such as natural disasters. Therefore, we cannot eliminate the risk of defects, contamination, or stability failures.

Any contamination discovered in our supply chain or at manufacturing facilities could necessitate prolonged facility closures to investigate and resolve the issue. Additionally, disruptions may occur during the introduction of new equipment or systems, or capacity expansions. As we expand into new markets, unexpected surges in demand could further strain our manufacturing capacity and exacerbate these challenges.

If we or our suppliers and logistics partners fail to meet our internal quality standards or those of the regulatory authorities, it could lead to severe consequences, including safety alerts, drug recalls, liability costs, and delays in drug approvals or certification processes. These issues could damage our reputation, hinder our commercialization efforts, and adversely impact our business.

Moreover, our manufacturing and warehousing facilities, as well as those of our suppliers and logistics partners, are vulnerable to damage from natural disasters, such as earthquakes, hurricanes, fires, or other catastrophic events. Such incidents could significantly disrupt our operations and have a material adverse effect on our business and financial performance.

Our ability to obtain quality raw materials could be affected by price fluctuations and supply interruptions.

Our drug manufacturing depends on a stable supply of critical raw materials, including peptide APIs, excipients, and packaging materials, sourced from a pre-screened list of qualified suppliers. During the Track Record Period, the raw materials we purchased and consumed for our drug candidates amounting to RMB7.4 million, RMB8.4 million and RMB5.7 million in 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 9.2%, 14.6% and 23.4% of our research and development expenses in the respective year or periods. These materials may not be consistently available and may be not cost-effective. Supply chains remain vulnerable to market fluctuations, geopolitical uncertainties, natural disasters, and customs delays for imported components. Furthermore, the high regulatory standards of the pharmaceutical industry may cause suppliers to cease operations or face financial instability. Transitioning to alternative sources is often time-consuming and costly, as it frequently requires internal validation and regulatory approvals. Any significant supply interruptions or price increases could escalate production costs, delay manufacturing timelines, and materially and adversely affect our business, financial condition, and results of operations.

The manufacturing facilities are vulnerable to various risks that could disrupt production, causing potential damage or destruction that would be difficult and costly to replace or transfer.

Our production facilities in Jiangyin, Jiangsu Province, include a dedicated, GMP-compliant line for our Core Product, PL-5, which is prepared for immediate commercial operation upon regulatory approval. As our R&D advances, we may expand manufacturing capacity to meet evolving requirements; however, such growth is subject to risks including construction delays, cost overruns, and the challenges of scaling complex formulations while maintaining stringent quality control. Our operations remain dependent on continuous regulatory compliance, and any failure to pass inspections could result in sanctions, recalls, or marketing delays. Furthermore, our facilities are vulnerable to disruptions from natural disasters, equipment failures, or power outages, which could hinder drug supply and clinical trials due to the difficulties of rapidly transferring production to third parties. Any inability to align capacity with market demand may lead to operational inefficiencies and material adverse effects on our financial condition and growth prospects.

We may face potential legal and liability risks from lawsuits and claims related to our drugs, which may adversely impact our business and financial condition.

We face substantial exposure to product liability claims arising from the clinical development and commercialization of our drug candidates. Such claims, whether alleging design or manufacturing defects, failure to warn, or negligence, could result in significant monetary damages, regulatory investigations, and the withdrawal of clinical trial participants. Litigations may divert critical management resources and inflict lasting reputation damage, thereby reducing market demand and hindering our ability to launch new products. While we maintain clinical trial insurance in China, our coverage may be limited by exclusions or insufficient to meet potential liabilities. If we are unable to secure adequate indemnification or if liabilities exceed our policy limits, our financial stability, results of operations, and commercial prospects could be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We have consistently incurred significant net losses since our inception and expect to continue incurring net losses for the foreseeable future.

Throughout the Track Record Period, we incurred substantial losses mainly due to R&D expenses, and administrative expenses associated with our ongoing operations. For example, in 2024, 2025 and the six months ended June 30, 2026, we incurred R&D expenses of RMB80.7 million, RMB57.2 million and RMB24.4 million, respectively, with costs primarily driven by our extensive R&D activities and the operational expenses necessary to sustain our business. Such losses are expected to continue in the near future and may increase as we advance the development of our drug candidates, seek regulatory approval and pursue commercialization efforts.

As an innovation-driven biotechnology company, we have not yet generated revenue from our primary business. The development of our drug candidates, including our AMP drugs, requires substantial upfront capital and entails significant risks, such as potential failure in clinical trials,

inability to secure regulatory approvals, or lack of market acceptance. The scale of our future net losses will depend on the complexity of our development plans, commercialization costs, and our ability to generate revenue. Even if we achieve profitability, we may be unable to sustain it due to unforeseen expenses, clinical setbacks, regulatory delays, or rising operational costs. Failure to achieve or maintain profitability could diminish our corporate value, impair our ability to raise capital or sustain R&D activities, and lead to significant losses for investors.

During the Track Record Period, we had net liabilities and net current liabilities, which could expose us to liquidity risks.

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. Our net current liabilities increased from RMB763.0 million as of December 31, 2024 to RMB874.9 million as of December 31, 2025, and further increased to RMB974.2 million as of June 30, 2026. Therefore, there can be no assurance that we will not continue to experience net liabilities and/or net current liabilities in the future. A prolonged net liabilities or net current liabilities position may restrict our financial and operational flexibility, increase our liquidity risk, and adversely affect our ability to execute business expansion plans. If we fail to generate sufficient operating cash flow to meet our financial obligations, we may need to seek additional external financing, which may not always be available on favorable terms or at all. Any inability to secure necessary funding could materially and adversely impact our business, financial condition, and future growth.

Our financial performance and operating results are subject to fluctuations driven by factors such as clinical trial progress, regulatory outcomes, market demand, economic trends, and competition, potentially impacting our valuation.

Our financial performance and operational outcomes are subject to substantial fluctuations due to factors often beyond our control. These include the timing and outcomes of clinical trials, shifts in the competitive landscape, particularly as major pharmaceutical firms face "patent cliffs" and seek aggressive acquisitions, and our ability to recruit participants efficiently using emerging digital and AI-driven enrollment tools. We also face variability in R&D expenses, the challenge of a "barbell" talent market where specialist skills are in high demand, and the risk that market demand for our drug candidates may not align with our commercialization timelines. Furthermore, evolving economic conditions and new accounting standards, such as the 2026 updates to diluted earnings per share reporting, could materially affect our reported financial results.

Our intangible assets may be subject to impairment in the future, which could impact our financial condition.

The valuation of our intangible assets relies on key assumptions determined by our management. If these assumptions fail to materialize or if our business performance deviates from these expectations, the value of our intangible assets could be significantly reduced, potentially resulting in substantial impairment losses. For details regarding our impairment policies for intangible assets, refer to Note 2.3 "Material Accounting Policies — Intangible assets (other than goodwill)" in the Accountants' Report in Appendix I to this Document.

During the Track Record Period, we experienced net cash outflows from operating activities. There can be no assurance that we will be able to secure additional financing to sustain our operations.

We are a bio-technology company with significant ongoing cash requirements for R&D, clinical trials, and manufacturing expansion. Since inception, we have incurred substantial operating losses and negative cash flows, which we expect to continue for the foreseeable future. Our current cash and cash equivalents may be insufficient to fund our long-term global development and commercialization goals. Consequently, our ability to continue operations depends on securing additional funding through equity or debt financing, collaborations, or licensing arrangements. In the current 2026 financing environment, capital has become increasingly selective, prioritizing assets with clear clinical validation. Any inability to obtain necessary funding on favorable terms could force us to delay, scale back, or terminate key research programs, materially harming our business and long-term competitiveness.

Due to our significant investment in R&D, our profitability and operating cash flows may be affected in the short run, and we may not achieve the anticipated results.

Due to our substantial R&D spending, we have incurred significant operating cash outflows during the Track Record Period. Our net cash used in operating activities amounted to RMB92.9 million, RMB73.0 million and RMB40.8 million in 2024, 2025 and the six months ended June 30, 2026, respectively. Except for PL-5 which received NDA approval from the NMPA in June 2026, we have no drugs at the commercial stage as of June 30, 2026. Therefore, we may not be able to generate positive operating cash flows in the future. If we continue to experience negative cash flows, our liquidity and financial condition may be materially and adversely affected.

Our existing cash and cash equivalents may be insufficient to fund our full suite of R&D projects and clinical trials through to commercialization. As a result, we may require additional capital through public or private equity, debt financing, or strategic partnerships. In the current market, while interest rates have moderated, the funding environment remains highly selective, prioritizing companies with clear clinical validation. There is no assurance that we will secure necessary funding on favorable terms, or at all. Any inability to raise capital when needed could force us to delay or discontinue key programs, hindering our technological progress. Furthermore, future equity offerings would likely result in dilution for existing shareholders and may be subject to volatile market conditions.

Fair value changes and associated credit risk related to our financial assets and liabilities at FVTPL could adversely impact our financial condition, results of operations, and prospects.

During the Track Record Period, we engaged in various financial activities involving the acquisition of financial assets and the issuance of financial liabilities, which were subject to fair value measurements and potential volatility. For details on the critical judgments, assumptions, and valuation methodologies applied, see Note 2.3 of the Accountant's Report in Appendix I to this Document.

We may seek additional funding, which could dilute Shareholders' ownership.

We may obtain additional funding through various means, including equity issuances, debt financing, partnerships, and licensing agreements. Raising capital through the sale of equity or convertible debt instruments could dilute Shareholders' ownership interests, and such transactions may involve terms granting liquidation or other preferences that could negatively impact Shareholders' rights. Furthermore, incurring additional debt or issuing certain types of equity securities may increase our fixed payment obligations and impose restrictive covenants, such as limitations on further debt or equity issuance, restrictions on acquiring or licensing intellectual property, or other operational constraints that could hinder our business activities.

Rising finance costs on borrowings could negatively impact our business expansion.

As of June 30, 2026, we have no interest bearing bank borrowing. To strengthen our liquidity position in the future, we may explore bank and other borrowing options to support our business operations. As bank borrowings may become a key source of funding for our future business expansion, we anticipate that this could lead to a significant increase in finance costs. Furthermore, any rise in interest rates on our borrowings would heighten finance costs and narrow our interest margin. Consequently, a higher level of interest-bearing liabilities could materially and adversely impact our business expansion plans and growth prospects.

Employee Incentive Scheme could dilute the shareholding of our existing Shareholders.

We have adopted an Employee Incentive Scheme to align the interests of our personnel with those of us. However, the issuance of additional Shares under future schemes may dilute existing shareholdings and reduce our earnings-per-share. Furthermore, the recognition of share-based compensation expenses will increase our operating costs and may adversely affect our reported profitability. Moreover, any future grants will result in dilution and could suppress the market value of our H Shares. **[REDACTED]** should consider that the ongoing use of equity incentives, while vital for competitiveness, creates a recurring non-cash expense that impacts our financial performance.

RISKS RELATING TO GOVERNMENT REGULATIONS

The research, development, and commercialization of our pipeline drugs are heavily regulated in all key aspects, and changes in regulations within the pharmaceutical industry could affect our drugs.

Our research, development, and commercialization activities are subject to detailed regulations in the jurisdictions in which we operate. We also plan to expand our efforts to international markets through licensing collaboration. While these regions employ broadly similar regulatory frameworks governing the development, approval, manufacturing, marketing, and distribution of pharmaceuticals, variations in their regulatory regimes create significant complexity and additional costs for companies like ours seeking to commercialize drugs across multiple jurisdictions.

Obtaining regulatory approvals and ensuring compliance with applicable laws and regulations require substantial time, effort, and financial investment. Regulatory authorities, such as the NMPA, or equivalent bodies, may demand additional information, including further preclinical or clinical data, which could delay or impede drug approval and commercialization. Even if approval is granted, it may be for narrower indications than originally sought, or it may be subject to conditions such as costly post-marketing studies or restrictions that could hinder the commercial success of the drug. Additionally, legislative and regulatory changes may impose further compliance requirements, potentially affecting our timelines, costs, and overall commercialization strategy.

We may face challenges or delays in obtaining necessary regulatory approvals for our pipeline drugs.

The drug development and approval process is extensive, costly, and subject to significant uncertainty. In China, we must demonstrate safety and efficacy through clinical trials and meet stringent manufacturing standards to secure NMPA approval. The approval timeline is unpredictable, and regulators maintain broad discretion over our submissions. Candidates may fail due to primary endpoint failures, data integrity issues, or disagreements with authorities regarding data interpretation. Furthermore, securing approval in China does not guarantee success in foreign jurisdictions, which often impose varying requirements necessitating additional costly studies. Any failure to obtain or maintain regulatory approvals, or the imposition of restrictive labels and post-market obligations, would severely limit our market potential and ability to fund future development.

Any safety issue regarding our pipeline drugs could interrupt or delay clinical trials, hold up regulatory approval, restrict how we can market an approved drug, or lead to serious problems after approval.

Serious adverse events or undesirable outcomes related to our drug candidates could result in significant delays, interruptions, or the termination of clinical trials by regulatory authorities. Such events may hinder patient recruitment, lead to narrowed indications, or result in the denial of marketing approval. Should safety issues arise post-approval, we may face mandatory recalls, suspension of marketing, or the withdrawal of regulatory licenses. Additionally, we could be required to implement more stringent risk mitigation measures or conduct further clinical trials. Such outcomes would likely lead to regulatory investigations, substantial drug liability claims, and a significant reduction in market demand, materially harming our reputation and financial condition. These scenarios could undermine market acceptance of our drugs, severely damage our reputation, and adversely affect our business and financial condition.

Our drug candidates and future commercialized drugs are subject to ongoing regulatory requirements, which could increase compliance burdens and costs.

Our pipeline drugs will be subject to ongoing regulatory requirements and stringent manufacturing standards set by the NMPA, the FDA, and other global authorities. We will face continuous monitoring and inspections to verify our adherence to applicable laws and regulatory commitments, necessitating significant investment in compliance resources. Regulatory approvals may be granted with limitations on marketed indications or be contingent upon costly post-market obligations and safety testing. Furthermore, strict regulations govern the marketing and labeling of approved drugs; any found violation, particularly regarding prohibited off-label promotion, could result in significant liability and hinder the commercial potential of our products.

Failure to comply with ongoing regulatory requirements or the emergence of post-market safety issues may lead to severe penalties, including the withdrawal of marketing approval. Regulators may mandate additional clinical trials, revised labeling with new safety warnings, or restrictive distribution protocols. Further consequences could include product recalls, fines, warning letters, the suspension of clinical trials, and the denial of pending applications. In extreme cases, we may face the seizure of products or civil and criminal penalties. Given the evolving nature of legislation and regulatory standards, increased compliance burdens could limit our market access and jeopardize our long-term profitability.

The regulatory framework for AMP drugs and our other drug candidates may increase development costs and barriers, impacting our business, while reduced legal requirements could heighten competition and weaken our market advantages.

We are a technology-driven peptide therapeutics company, focusing on four core therapeutic areas—anti-infectives, metabolic diseases, oncology, and autoimmune diseases. These areas require strict regulations to govern drug design and development, clinical trials, pre-market clearance, authorization, and approval, as well as marketing, sales, and distribution. Maintaining compliance with these complex and dynamic requirements is highly technical and resource-intensive, demanding substantial management attention and financial investment. Any tightening of regulatory demands could increase development costs and barriers, adversely affecting our business operations, financial performance, and growth prospects. Conversely, a relaxation of regulatory requirements could intensify competition, enabling rivals to introduce AMP drugs that may claim to be superior to ours.

Any failure to comply with the PRC regulations regarding contribution of social insurance premium or housing provident funds may subject us to fines and other legal or administrative measures.

According to the Social Insurance Law of the PRC, the Regulations on Management of Housing Provident Fund and other applicable PRC regulations, any employer operating in China must contribute social insurance premium and housing provident funds for its employees. Any failure to make timely and adequate contribution of social insurance premium or housing provident funds for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue social insurance premium or housing provident funds within a specified period of time, otherwise the competent authority may further impose fines or penalties. We make contributions of social insurance premiums for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits, as well as the housing provident funds. During the Track Record Period, we were not in strict compliance with the requisite contribution requirements in relation to some of our PRC employees, which was primarily attributable to our employees' unwillingness to bear the costs associated with social insurance and housing provident funds strictly in proportion to their salaries, as it would reduce their disposable income.

As of the Latest Practicable Date, we had not received any order of correction or any fines or penalties from the competent authority as a result of any such failure. We have consulted relevant competent social insurance and housing provident fund authorities, confirming that there is no record of any member of our Group that hires employees being imposed administrative penalties by the relevant authorities for violation of the relevant laws and regulations. However, we cannot assure you that the competent authority will not require us to rectify any non-compliance by making contribution of overdue social insurance premium or housing provident funds or to pay any overdue fine or penalty related thereto.

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

We intend to seek approval to market our drug candidates primarily in China. In China, the pricing of drugs and biologics is subject to governmental control, which can take considerable time even after obtaining regulatory approval. Our ability to commercialize any approved drug candidates successfully will also be influenced by the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. In China, the National Reimbursement Drug List (the "**NRDL**") determines a

pharmaceutical product's reimbursable amounts for program participants under the National Medical Insurance Program (the "**NMIP**"). Under the NMIP, patients are entitled to full or partial reimbursement of costs for pharmaceutical products listed in the NRDL. A pharmaceutical product's inclusion in or exclusion from the NRDL will significantly affect the demand for such product in China. There is no assurance that any of our future approved drug candidates will be included in the NRDL. The inclusion of pharmaceutical products by relevant authorities into the NRDL is based on a variety of factors and innovative drugs similar to our drug candidates have historically been more limited on their inclusion therein due to the affordability of the government's Basic Medical Insurance Program. In addition, the PRC government has implemented significant reforms of the pharmaceutical industry in recent years and may enforce additional measures in the future, which may adversely affect our pricing strategy for our pharmaceutical products.

Changes in the drug regulatory policies, approval standards, and regulatory landscapes of the relevant jurisdictions may have a material adverse effect on the development progress, approval timelines, and future commercialization of our drug candidates.

Our business operations and drug development involve conducting clinical trials and regulatory approval procedures in the PRC and the U.S. In February 2026, the FDA shifted its new drug approval standard from requiring two confirmatory trials to a single well-controlled trial backed by confirmatory evidence. The practical application and specific evidence requirements of this policy remain uncertain. While we have successfully initiated Phase II trials for PL-5 in the U.S. for the treatment of diabetic foot infection and received FDA's approval to initiate Phase II trials for PL-18 and Phase I trials for PL-3301 in the U.S., any adverse shifts in FDA review practices or efficiency could necessitate trial protocol amendments, extend review cycles, or require additional data, thereby increasing our R&D costs and delaying U.S. commercialization.

Our PRC operations are strictly regulated by the NMPA. The evolving National Healthcare Security Administration (NHSA) policies, including National Reimbursement Drug List ("**NRDL**") adjustments, may restrict our market access strategies, pricing levels, and commercial returns. Failure to make timely adaptation to these regulatory and reimbursement changes may materially and adversely affect our business, financial condition, and results of operations.

Recent fluctuations in the U.S. healthcare policies and regulatory environment may adversely affect our future clinical trials, as well as further drug development and commercialization activities in the U.S.

The recent developments in the U.S. regulatory landscape, including leadership changes at the U.S. Food and Drug Administration ("**FDA**"), such as the resignation of the former FDA Commissioner Makary on May 12, 2026, which may result in a transition in regulatory priorities and create uncertainties regarding future regulatory directions and approval efficiency, especially for our Core Product.

On April 29, 2026, relevant subcommittees of the U.S. House of Representatives introduced a bill, namely Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2027 (H.R.8646), that proposes to bar the FDA from accepting clinical data obtained from Chinese Mainland and other regions during the review of new drug applications. While the bill has not been enacted into law yet, it may prompt the FDA to tighten review requirements and extend review timelines. Should such proposal be enacted or similar policies be adopted, it may affect the acceptability of clinical data generated in the Chinese Mainland in regulatory submissions in the United States and disrupt our existing overseas expansion model, potentially increasing R&D costs, prolonging project cycles and creating greater challenges for cross-border collaboration on our product pipeline, for instance our Core Product. The combined impact of policy and personnel changes may affect our clinical trials, research and development and commercialization activities in the U.S.

In addition, we or our business partners, including our CDMOs, may be adversely affected by, or become subject to restrictions under, the recently enacted BIOSECURE Act, which restricts certain U.S. federal procurement, contracting and funding activities involving biotechnology companies designated as companies of concern. If we or any of our business partners were designated as a "biotechnology company of concern," our ability to conduct business with the U.S. government or related

counterparties could be limited. Any resulting need to replace a business partner could delay product development and materially and adversely affect our business, financial condition and results of operations.

We are subject to evolving privacy and data protection laws, and any failure to meet these requirements may increase operational risks and costs.

We are subject to increasingly stringent privacy and data protection laws, particularly in China. These include the Data Security Law, the Cybersecurity Law, and the Personal Information Protection Law (PIPL) of the PRC, which impose rigorous obligations on the collection, storage, and transfer of sensitive medical and personal data. Any failure, by us or our third-party collaborators such as CROs and hospitals, to safeguard data could trigger severe enforcement actions, including fines, public censure, or criminal penalties for officers. Furthermore, as regulatory interpretations evolve, we may face increased compliance costs or restrictions on data processing that could materially and adversely affect our R&D activities and financial performance.

RISKS RELATING TO OUR GENERAL OPERATIONS

Our historical operating and financial results may not reflect our future performance.

Our historical financial results may not serve as a reliable indicator of future performance, as our past revenue was derived solely from daily-care products. Our core business has shifted toward the R&D and commercialization of innovative AMP therapeutics — a model that differs fundamentally in terms of regulatory requirements, capital intensity, and cost structure. Future profitability depends almost exclusively on the clinical and commercial success of our drug candidates. The inherent uncertainties of the development cycle, including the need for NMPA marketing authorizations and effective market adoption, mean that any failure or delay in our pipeline could materially and adversely affect our financial prospects.

Loss of key personnel or the inability to hire qualified staff could disrupt drug development and commercialization.

Our success depends significantly on the continued service of our senior management and specialized R&D teams. While we have formal employment agreements and key-person insurance, these do not guarantee long-term retention. We face intense competition for a limited pool of qualified pharmaceutical professionals from both industry competitors and academic institutions. The loss of key personnel or consultants could disrupt our clinical development and commercialization timelines. We utilize equity incentives to encourage retention, but their effectiveness is subject to market fluctuations. Any inability to attract, integrate, or retain high-caliber talent on acceptable terms could impair our operational efficiency and ability to execute our long-term growth strategies.

With limited operating history and minimal experience in manufacturing and marketing, we face uncertainties for further expansion.

Our inability to manage rapid growth and strategic expansion could harm our business. To achieve our R&D and commercialization targets, we must successfully scale our workforce and infrastructure while adapting to regional market variations. This growth imposes significant responsibilities on management, including the integration of new personnel and the enhancement of financial and operational controls. Failure to address these challenges or fulfill our regulatory and contractual obligations during expansion could lead to operational inefficiencies and the diversion of management resources. Such difficulties may prevent us from realizing our strategic goals and adversely impact our financial condition.

Our business is significantly influenced by economic, political, legal, and social conditions in the jurisdictions in which we operate, and any changes in government policies, economic growth, or regulatory measures could adversely impact our financial performance.

Our performance is significantly influenced by the economic and political environment in China. The Chinese pharmaceutical industry is subject to comprehensive and evolving regulations governing drug approval, manufacturing, and marketing. Future regulatory changes may increase compliance costs or obstruct the commercialization of our products. While China has experienced significant economic

growth, such growth remains uneven. Government policies regarding resource distribution, capital investment controls, or tax regulations, intended to manage the broader economy, could adversely affect our financial condition. Furthermore, shifts in economic policies, such as interest rate adjustments, may dampen market activity and hinder our strategic execution.

Failure to effectively expand internationally and manage associated risks, which may adversely affect our business prospects.

We aim to expand globally through overseas licensing and potential direct commercialization in markets such as the United States. However, our limited international experience exposes us to significant uncertainties, including navigating complex regulatory frameworks (such as the FDA) that differ from the PRC. International expansion entails higher development costs, dependency on overseas partners, and exposure to foreign drug liability claims. Furthermore, our operations may be impacted by geopolitical disruptions, including trade conflicts and tightening foreign investment restrictions. As of 2026, the U.S. has introduced more stringent oversight for foreign-linked biotech firms, which could prolong approval timelines or limit our ability to secure federal contracts. Any failure to manage these multi-jurisdictional risks could materially and adversely affect our business prospects and sustainable profitability.

Our success may partially depend on relationships with key physicians and doctors, crucial for our clinical development.

Our success depends significantly on maintaining strong collaborations with leading hospitals and key opinion leaders (KOLs) within relevant therapeutic areas. We rely on these experts as clinical advisors and trainers to support drug promotion and clinical adoption. Through academic seminars and workshops, we educate healthcare providers on the efficacy and safety profiles of our products. Given the influence of these experts on prescribing behavior and clinical practice, any deterioration in these relationships or failure to cultivate new partnerships could hinder our market penetration and sales growth, materially and adversely impacting our business and results of operations.

We may not be able to effectively manage our distributors or maintain relationships with our network of distributors.

Our daily-care products business relies on a network of independent third-party distributors, over whom we have limited control. As of December 31, 2024, December 31, 2025 and June 30, 2026, we had 123, 86 and 97 distributors in sales of daily-care products in China, respectively. In 2024, 2025 and the six months ended June 30, 2026, revenue generated from sales to our distributors amounted to RMB3.6 million, RMB1.9 million and RMB0.7 million, respectively, which accounted for 69.7%, 57.3% and 31.4% of our total revenue for the respective periods. For details, please see "Business — Sales and Marketing — Sales — Distributors." However, we have relatively limited control over our distributors, who may fail to distribute our drugs in the manner we contemplate. There is no assurance that distributors collaborating with us to deliver and promote our drugs will continue their arrangements with us on favorable terms or at all. Termination of these relationships or unfavorable changes in terms may negatively affect our operations and revenue.

Our operational performance depends on maintaining effective distribution channels and ensuring timely payment collection. To prevent "channel-stuffing" and artificially inflated sales, we maintain strict product return policies and monitor distributor inventory levels. While we experienced no material returns during the Track Record Period, our distributors may not consistently adhere to our policies in the future. Any failure to manage our distribution network effectively may impair our ability to accurately assess market demand and lead to significant financial and reputation damage.

We may be subject to risks associated with legal disputes or litigation involving our directors, senior management, or employees.

We may have disputes with our directors, senior management, or employees. Disagreements regarding compensation, authority, or contract termination could lead to litigation that diverts management's attention and disrupts daily operations. Such disputes may result in substantial legal fees, settlements, and reputational harm, as they may be perceived as a sign of internal instability. Furthermore, since our subsidiaries operate in various jurisdictions, we face the added complexity of cross-border legal proceedings and uncertainties regarding the enforcement of foreign judgments.

We may not succeed in our business strategy of growth.

Following the **[REDACTED]**, we may pursue acquisitions, joint ventures, and strategic alliances to enhance our competitiveness. The success of these initiatives depends on our ability to identify, negotiate, and integrate suitable opportunities while securing necessary financing and regulatory approvals. Realizing such opportunities involves significant risks, including challenges in harmonizing quality control, financial management, and internal systems. Expanding our operational scope may also strain our management and quality assurance programs. Any failure to effectively integrate new businesses or personnel could prevent us from realizing anticipated benefits and adversely affect our business performance.

We may undertake investment activities comprising acquisitions, minority strategic equity investments, or licensing transactions that may not be successful, which could expose us to significant financial risks, valuation uncertainties and integration risks.

As part of our growth strategy, we may undertake potential acquisitions, strategic equity investments, or licensing activities that align with our growth strategies, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. However, executing this strategy involves significant uncertainties and inherent risks, including but not limited to financial risks, valuation risks and integration risks. Pursuing acquisitions or licensing investment activities may increase our operating expenses and cause us to incur debt. Our future acquisition and strategic investment activities may also expose us to significant valuation risk, as we may be required to pay consideration based on assumptions and forward-looking projections that may not materialize, and any subsequent changes in market conditions, business performance or integration outcomes could cause them to decline in value below the total consideration paid. We may also overpay during licensing activities due to the complexity in valuing intangible assets such as intellectual property rights and technical know-how. Future acquisitions and the subsequent integration of new assets and businesses into our own would also require significant attention from our management as well and could result in a diversion of resources from our existing business, which in turn could adversely affect our business. Furthermore, integrating acquired businesses, personnel, or external technologies into our independently developed core platforms entails substantial operational challenges.

Therefore, there is no assurance that any investment activity will yield the anticipated clinical milestones, synergies, or commercial efficiencies. If we fail to successfully integrate acquired assets or if they underperform, we may be required to record significant impairment charges, which may adversely affect our financial condition and operating results.

We may be subject to risks relating to leased properties.

As of the Latest Practicable Date, we leased three properties in the PRC with an aggregate gross floor area of approximately 2,012.8 sq.m. Our leased properties are used as our R&D, office, and manufacturing sites. Upon the expiration of these leases, we may need to renegotiate terms and could be subject to increased rental costs. There is no assurance that we will successfully renew our leases on terms favorable or acceptable to us at all. We may need to secure alternative locations and incur relocation costs, potentially disrupting or suspending our operations.

If we face litigation, legal disputes, government investigations, or administrative actions, our management's focus could be shifted, leading to significant costs and liabilities for us.

We may become involved in litigation, contractual disputes, or administrative proceedings arising from our ordinary business activities, including matters related to drug liability, intellectual property, employment, and environmental issues. Such disputes — whether involving suppliers, partners, or other third parties — could divert management's attention and necessitate significant legal expenditures. Unfavorable outcomes, including substantial damage awards or settlements, may require us to suspend certain business initiatives or assume significant liabilities. Furthermore, any associated negative publicity could tarnish our reputation and brand image, materially affecting our financial condition and results of operations.

Holders of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individual shareholders are generally subject to a 20% withholding tax on China-sourced dividends and capital gains under the PRC Individual Income Tax (IIT) Law. However, pursuant to Cai Shui Zi [1994] No. 020 and Cai Shui Zi [1998] No. 61, such individuals are currently exempt from IIT on dividends from foreign-invested enterprises and gains from the transfer of listed shares, respectively. While these exemptions remain in effect as of early 2026, they are subject to future regulatory shifts. For non-resident enterprise shareholders, a 10% withholding tax is typically applied to both dividends and capital gains under the PRC Enterprise Income Tax Law and Guo Shui Han [2008] No. 897. Eligible shareholders may seek reduced rates under applicable tax treaties, though such benefits are subject to approval by PRC tax authorities.

The interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may materially and adversely affect the value of our H Shares.

Negative publicity and allegations against us or our associates can damage our reputation and business, potentially leading to costly responses that may not satisfy investors or customers.

Our long-term success depends on establishing brand recognition through the safety and efficacy of our drugs and the quality of our medical engagement. We must secure adoption by specialists who often rely on established therapies with decades of clinical data. In a shifting 2026 landscape where traditional marketing is less effective, our failure to provide robust real-world evidence or to execute evidence-led digital strategies could hinder market penetration. Any deterioration in our brand image, whether due to lack of hospital acceptance, drug defects, regulatory scrutiny, or liability claims, could materially disrupt our ability to compete with larger, more established pharmaceutical companies.

Negative publicity regarding our AMP drugs, leadership, or affiliates could significantly hinder market acceptance and erode trust among patients and medical institutions. Our success relies on maintaining a positive reputation and securing reimbursement; bad press, privacy concerns, or regulatory investigations involving our stakeholders could damage our brand and sales. Addressing these issues consumes substantial resources and may still result in material harm to our business.

Our insurance coverage may not completely cover the risks relating to our business and operations.

Our activities involve inherent hazards and risks associated with research, development, and manufacturing, which may lead to personal injury or property damage. We maintain various insurance policies, including clinical trial insurance, but such coverage may be insufficient to account for all potential losses or liabilities. For details, please see "Business — Insurance." If these risks materialize and exceed our insurance limits, the resulting financial impact could materially and adversely affect our business and results of operations.

We are exposed to risks from disruptive events beyond our control.

Our business and financial condition could be severely harmed by force majeure events beyond our control, such as natural disasters, pandemics, or social unrest. These events may materially disrupt our operations and supply chains. Furthermore, any recurrence could damage the regional economy and infrastructure, negatively impacting our long-term plans and performance.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our H Shares, and an active [REDACTED] for our H Shares may not develop, especially taking into account that certain of our existing shareholders may be subject to a lock-up period.

No public market currently exists for our H Shares. The initial **[REDACTED]** for our H Shares to **[REDACTED]** will be the result of our negotiations with the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and the **[REDACTED]** may differ significantly from the **[REDACTED]** of the H Shares following the **[REDACTED]**. While we have applied for our H Shares to be **[REDACTED]** on the Stock Exchange, a **[REDACTED]** does not guarantee the development or sustainability of an active and liquid **[REDACTED]**. The **[REDACTED]** of our H Shares may decline following the **[REDACTED]** due to factors beyond our control. Notably, a significant portion of our H Shares will be subject to lock-up restrictions from the **[REDACTED]**, which may constrain trading volume and liquidity in the short term. The presence of these restrictions, combined with the inherent volatility of the innovative pharmaceutical sector in 2026, means that even if a **[REDACTED]** develops, it may not be sustained, and the market price may not reflect our long-term intrinsic value.

You may face immediate dilution and market pressure.

You may face immediate financial dilution because the **[REDACTED]** exceeds the book value of our shares. Your ownership percentage may decrease further if we issue additional shares later. Furthermore, if large blocks of shares are sold in the future (or if the market expects them to be), our stock price may drop, making it harder for us to raise funds.

Our Single Largest Group of Shareholders could exert significant influence over our Company and might not act in the best interests of minority Shareholders.

Our Single Largest Group of Shareholders collectively has significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations, and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the Share Subdivision and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our Single Largest Group of Shareholders will be entitled to control in aggregate approximately **[REDACTED]**% of our total issued share capital and thus remain as a group of Single Largest Group of Shareholders upon **[REDACTED]**. The interests of our Single Largest Group of Shareholders might differ from the interests of our other Shareholders. In the event that our Single Largest Group of Shareholders causes us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Single Largest Group of Shareholders and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may, in turn, affect our operations and prospects.

Because we do not expect to pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our H Shares for a return on your [REDACTED].

Our ability to pay dividends depends on generating sufficient earnings. Whether we declare dividends will be subject to shareholder approval and various factors, including financial performance, legal requirements (PRC and Hong Kong), and capital needs. Consequently, there is no guarantee regarding the timing, amount, or certainty of future dividend payments.

There is no guarantee about the continued [REDACTED] of the Shares on the Stock Exchange.

We may fail to maintain our **[REDACTED]** on the Stock Exchange. Failure to meet Stock Exchange requirements could result in **[REDACTED]**. If this occurs, you would be unable to trade our shares on the secondary market, making it difficult to realize the value of your **[REDACTED]**.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the number of our H Shares in the market and negatively impact the [REDACTED] of our H Shares.

Our Unlisted Shares may be converted into H Shares through the "Full Circulation" process, potentially increasing the supply and impacting the **[REDACTED]** of our H Shares. While these shares rank pari passu with existing H Shares, they are subject to a statutory one-year lock-up period under the PRC Company Law following our **[REDACTED]**. Furthermore, any conversion requires mandatory filing with the CSRC and the approval of the Hong Kong Stock Exchange. The introduction of a significant volume of previously unlisted equity into the public market after the expiry of the lock-up period may lead to perceived or actual selling pressure, which could adversely affect the prevailing market price and our ability to raise future capital.

We cannot make fundamental changes to our business without the consent of the Stock Exchange.

As a company **[REDACTED]** under Chapter 18A, we are subject to specific continuing obligations that restrict our ability to pivot our core business. Without the prior consent of the Stock Exchange, we are prohibited from effecting any transaction, including acquisitions or disposals, that would result in a fundamental change to our principal business activities as disclosed in this Document. These restrictions may prevent us from pursuing certain strategic opportunities or adapting to rapid market shifts. If unlisted competitors or those listed on other exchanges are able to capitalize on such opportunities while we are constrained by regulatory requirements, we may face a competitive disadvantage, potentially harming our long-term growth and operational results.

There is no guarantee about the accuracy and reliability of facts, forecasts, and statistics obtained from various government publications in this Document.

We rely on government data to provide context for our market position. This information is based on estimates and research methodologies that are beyond our control. The information from official government sources has not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]** nor our or their respective affiliates and advisers, or any other party involved in the **[REDACTED]**, and no representation is given as to its accuracy.

You should read the entire Document carefully to make your [REDACTED] decision, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

We disclaim responsibility for any media coverage or financial projections regarding the **[REDACTED]** published prior to this Document. We did not authorize such information and make no representations regarding its accuracy. In the event of conflicting information, you should rely solely on the contents of this Document.

Forward-looking statements contained in this Document are based on certain assumptions and are subject to risks and uncertainties.

This Document contains forward-looking statements regarding our future plans and strategies, identified by terms such as "expect," "will," and "intend." These are estimates based on management's judgment and are subject to risks, detailed in the "Risk Factors" section, that could cause actual results to differ materially. These statements are not guarantees of future performance, and **[REDACTED]** should not place undue reliance on them.

We have no experience of operating as a [REDACTED] company.

We lack experience operating as a **[REDACTED]** company, which entails significant administrative costs and compliance burdens. Our management must acquire new regulatory expertise and upgrade internal controls. Failure to adapt to these demands in a timely manner could harm our operations, financial health, and market reputation.