OVERVIEW

We are an innovation-driven pharmaceutical group, with a strategic focus on two core disease areas: (i) central nervous system ("**CNS**") disorders, and (ii) cardiovascular and cerebrovascular diseases.

Our business model integrates the commercialization of our marketed products with the continuous advancement of our product pipeline. Our current portfolio includes (i) drugs, including generic drugs, innovative drugs, traditional Chinese medicine ("**TCM**") and biologics, (ii) active pharmaceutical ingredients ("**APIs**"), and (iii) medical devices. Building on this established portfolio, we continue to advance R&D of our innovative drug candidates.

Our established commercialized businesses provide sustained technical, market and financial support for the development and commercialization of our innovative drugs. We have maintained a robust profitability track record. In 2024, we generated total revenue of RMB4,158.6 million and net profit of RMB719.1 million, and our R&D investment was RMB383.5 million. We intend to continue investing in R&D at a considerably high level to advance our innovation strategy and further our growth.

Our development trajectory follows the evolution of China's pharmaceutical industry over the past three decades. We began with a focus on intermediates and APIs, and subsequently expanded downstream into drugs. Over time, we have built a product portfolio spanning generic drugs, TCM and biologics, APIs and medical devices. In recent years, we have strategically focused our innovative drug R&D on CNS and cardiovascular and cerebrovascular diseases. In 2023, we successfully launched Dimdazenil, a Category 1 innovative drug approved in China for the treatment of insomnia.

Our Key Innovative Assets

We have two innovative assets, each closely aligned with our strategic therapeutic focus and innovation-driven R&D approach and designed to address significant unmet clinical needs:

- **Dimdazenil**, a benzodiazepine-class sedative-hypnotic with a globally novel mechanism of action, was approved for marketing in China in November 2023 and was included in the National Reimbursement Drug List ("**NRDL**") in November 2024. According to Frost & Sullivan, Dimdazenil was the first Category 1 innovative drug for the treatment of insomnia in China led by a PRC pharmaceutical company since 2007.

- **JX2201**, a Category 1 innovative drug candidate for the treatment of elevated lipoprotein(a) (Lp(a)) levels, targets a mechanism for which, to our knowledge, no Lp(a)-lowering drug has been commercialized globally to date. As of the Latest Practicable Date, JX2201 is under Phase I clinical trial in China and we expect to complete the Phase I clinical trial in the first quarter of 2026. In addition, the Phase II clinical trial protocal has obtained ethics approval in China.

Commercialized Assets: Drugs, APIs and Medical Devices

Our marketed drug portfolio includes generic drugs, innovative drugs, TCM and biologics. We have achieved meaningful progress on product quality and market access. More than 40 of our products have passed the PRC efficacy consistency evaluation or have been approved under the new drug registration classification system. A total of 54 of our products have been included in national or provincial alliance volume-based procurement programs.

Our API products include quinolone anti-infective APIs, cardiovascular APIs and CNS APIs. These API products are sold to customers in China and overseas, and also provide supply chain support for our marketed drug business, strengthening our upstream supply stability.

We also provide medical device for manufacturers and hospitals in China and overseas with a range of medical display products, human-machine interface products and integrated medical imaging solutions.

High-Standard Manufacturing and Production Capabilities

We are committed to delivering products that meet stringent standards of quality, safety and consistency. We apply quality management and compliance requirements throughout the product lifecycle, from supplier qualification and incoming inspection, to manufacturing controls, batch release and post-marketing monitoring, with the objective of safeguarding patient safety and supporting sustainable, long-term development.

Our production facilities have obtained PRC GMP certification, European GMP certification and U.S. FDA cGMP certification, enabling us to manufacture at scale in accordance with both PRC and international standards and to support commercialization of our products.

Advanced Commercialization Capabilities

In our pharmaceutical business, we have developed advanced commercialization capabilities supported by an in-house sales and marketing team of over 500 staff. We promote our products through multiple channels and have built an academic promotion and sales network covering major provinces in the PRC and key healthcare institutions. We have also established long-term cooperation with key clinical departments, including psychiatry, neurology and cardiology, which we believe supports sustained physician education and product adoption in our core therapeutic areas. Leveraging the close cooperation between our in-house commercialization team and selected independent third party market promoters, we are able to gain hospital access and enhance physician education for our innovative drugs and support the timely ramp-up of sales volume.

We have substantial experience participating in VBP programs and have developed marketing capabilities. We also actively expand our in-hospital, and out-of-hospital for our generic drugs, with commercialization strategies tailored to the characteristics of each channel. In driving sales growth, we leverage a combination of our in-house sales and marketing team, and our distributor network, which supports broad geographic coverage, efficient product delivery and downstream customer reach.

In the API business, we have built a sales team serving customers in China and overseas so as to promote our API products efficiently across markets and customer segments. In the medical device business, we continue to enhance our market position in China by focusing on high-quality key accounts. Internationally, we have established localized sales and service networks across major global markets, further strengthening our international presence and execution capabilities.

COMPETITIVE STRENGTHS

Deep CNS and cardiovascular expertise supported by strong clinical and market insight and efficient execution from discovery through clinical development

For many years, we have focused our innovative drug R&D on (i) CNS disorders (such as insomnia, schizophrenia, epilepsy, depression and Parkinson's disease) and (ii) cardiovascular and cerebrovascular diseases (such as hyperlipidemia). We have developed capabilities across drug discovery and management of clinical trials, and our accumulated clinical and commercialization experience has deepened our understanding of treatment pathways and unmet needs in these areas, which informs target selection and the design of our innovative candidates.

Across our two R&D bases in Shanghai and Xinchang, Zhejiang, we have established an integrated R&D system with in-house preclinical capabilities spanning molecule discovery, molecule synthesis, and efficacy and safety studies. We have also developed clinical trial and clinical management capabilities in the CNS field and have established clinical site collaborations with a number of major hospitals in China. In addition, we have cultivated a cross-disciplinary R&D team with expertise spanning organic chemistry, chemical engineering, pharmaceutical sciences, pharmaceutics, and bio-engineering.

Leveraging our integrated R&D system, cross-disciplinary team and long-term therapeutic focus, we can efficiently progress from the identification of an unmet clinical need to proof of concept, and systematically advance pharmacology, pharmacokinetics and safety studies, as well as other preclinical and clinical activities, to support the screening and advancement of high-potential innovative programs.

We have established a multi-tier pipeline and development strategy focused on CNS and cardiovascular and cerebrovascular diseases. According to Frost & Sullivan, CNS disorders include neurological diseases, mental disorders and sleep-wake disorders. In 2024, the global CNS drug market was US$258.8 billion and is expected to reach US$382.4 billion by 2035. In China, driven by accelerating pace of life and rising stress levels as well as increasing attention to quality of life, the CNS drug market is expected to expand from US$34.1 billion in 2024 to US$51 billion in 2035, representing a CAGR of 4.1%, which is significantly higher than the 1.4% CAGR over the period from 2020 to 2024.

Cardiovascular and cerebrovascular diseases represent a core segment of China's major chronic disease landscape, including, among others, hypertension, coronary heart disease, heart failure, arrhythmia, cerebrovascular diseases and systemic vascular diseases driven by atherosclerosis. These diseases are characterized by a large market base, sustained treatment demand and significant market impact, and represent one of the largest therapeutic areas by market size. Frost & Sullivan estimates that the global and China market sizes are expected to increase from US$124.6 billion and US$24.9 billion in 2024 to US$182.0 billion and US$36.9 billion in 2035, representing CAGRs of 3.8% and 4.1%, respectively.

Our key pipeline is illustrated as follows:

Innovative Drug Pipeline Name	Target	Preclinical / Phase I / Phase II / Phase III / NDA / Market Launch	Primary Regulatory Authority	Current Status/ Next Milestone	Source	Equity Allocation	Cooperation Party
Dimdazenil	GABA	Insomnia	NMPA	Approved	License-in	Global	Party A
		Insomnia	Philippine FDA	Launch in 2028	license-out	Philippines	AMB HK ENTERPRISES INC
JX6001	/	Ulcerative colitis	NMPA	Clinical Phase III / NDA application in the second half of 2027	In-house development	Global	/
JX2201	Apo(a)	Hyperlipoproteinemia	NMPA	Phase I Clinical Trial / Phase II Initiation in Q2 2026	In-house development	Global	/
		Hyperlipidemia	FDA	Clinical Approval	In-house development	Global	/
JX2414	GABA	Psychotic agitation	NMPA	Preclinical/Clinical trial approval in Q2 2026	In-house development	Global	/
JX2401	Nav1.6	Epilepsy	NMPA	Preclinical/Clinical trial approval in Q1 2027	In-house development	Global	/
JX2404	dual M1, M4	Schizophrenia	NMPA	Preclinical/Approval for clinical trials in the second half of 2027	In-house development	Global	/
JX2409	Selective Nav	DPNP	NMPA	Preclinical/Late 2027 Clinical trial approval	In-house development	Global	/

Generic Drug Pipeline Name	Target	Pharmaceutical and Validation Clinical / NDA / Market Launch	Primary Regulatory Authority	Current Status/ Next Milestone	Source	Equity Allocation	Cooperation Party
Cariprazine Hydrochloride Capsules	5-HT1A, 5-HT2A, D2	Schizophrenia	NMPA	Approved for market launch in 2026	In-house development	/	Party B
Colesevelam Tablets	Bile acids	Primary Hyperlipidemia	NMPA	Approved for market launch in 2026	In-house development	/	/

Medical Device Pipeline Name	Target	Clinical Trials / Registration / Market Launch	Primary Regulatory Authority	Current Status/ Next Milestone	Source	Equity Allocation	Cooperation Party
JXYY-JJU	/	Type A aortic dissection	NMPA	Clinical stage/ PMA application in the second half of 2027	Licensing	Global	Wuhan Lingke Medical Management Partnership Enterprise

Sustained CNS and cardiovascular market presence with an innovation-led portfolio and efficient development-to-launch capabilities

Supported by our integrated R&D capabilities and accumulated clinical execution experience, we have built an innovative portfolio in our two core therapeutic areas, namely CNS and cardiovascular and cerebrovascular diseases. Our portfolio includes (i) Dimdazenil, a Category 1 innovative drug for the treatment of insomnia that has been approved and entered commercialization in China; (ii) JX2201, a Category 1 innovative drug candidate for the treatment of elevated lipoprotein(a) levels; and (iii) Cariprazine hydrochloride capsules, for which we have submitted a marketing application in China, among other assets.

Through the full development cycle of Dimdazenil, from target selection, pre-clinical and clinical development to regulatory registration, and commercialization execution, we have accumulated end-to-end experience and capability sets that we believe are replicable in our other drug candidates. Accordingly, we believe these capabilities form a practical template that can be applied to the continued advancement of JX2201 and other pipeline programs, and that this tiered innovative product portfolio has the potential to become an important driver of our future performance growth and business upgrading.

CNS

In the CNS field, Dimdazenil received Category 1 marketing approval in China in November 2023 and was included in the NRDL in 2024. Dimdazenil is designed as a GABA_α receptor partial agonist with functional selectivity, delivering sleep-promoting efficacy while limiting side effect of over-sedation and drug dependence risks. We believe this differentiated mechanism of action may address certain limitations associated with traditional benzodiazepines and support a more balanced efficacy and safety profile in insomnia treatment.

In commercialization, we have developed a three-tier network system spanning core cities, regional centers and primary healthcare clinics through close collaboration between our in-house team and core promotion partners, enabling broad reach across different levels of medical settings. As of October 31, 2025, Dimdazenil's commercialization had progressed substantially, with coverage of over 3,000 hospitals and cumulative sales of approximately RMB150 million since launch.

In addition, Cariprazine hydrochloride capsules, our Category 3 new drug for the treatment of schizophrenia, have completed a clinical trial through a model combining in-house development and upstream patent authorization. According to Frost & Sullivan, we were the first to submit a marketing application in China. According to Frost & Sullivan, Cariprazine is a third-generation antipsychotic drug, which commands a global market of US$3.27 billion in 2024. According to Frost & Sullivan, Cariprazine has been approved in certain jurisdictions for indications including schizophrenia and bipolar disorder and as adjunctive treatment for major depressive disorder.

Cardiovascular and Cerebrovascular Diseases and Others

In cardiovascular and cerebrovascular diseases, JX2201, our innovative product for lowering elevated Lp(a) levels, has successfully completed Phase I clinical trial patient enrollment and is expected to be completed in China in the first quarter of 2026. JX2201 is a small-molecule lipid-lowering drug targeting a novel Lp(a) mechanism and, according to Frost & Sullivan, ranked third globally and second in China by development stage among small-molecule candidates. We plan to initiate its Phase II clinical trial in China in the first quarter of 2026 in parallel and we had not commenced patient enrollment for the Phase II clinical trail.

Lp(a) is a key, independent, and causal risk factor for atherosclerotic cardiovascular disease ("**ASCVD**"), stroke, and calcific aortic valve disease. A large body of clinical evidence has established Lp(a) as an independent and causal risk factor for ASCVD, and Lp(a) may increase residual cardiovascular risk even in patients with well-controlled low-density lipoprotein cholesterol ("**LDL-C**"). We believe Lp(a)-targeted therapies may be complementary to existing lipid-lowering approaches, as their mechanism does not overlap with current therapies and may support combination use with statins, PCSK9 inhibitors and other lipid-lowering drugs. For patients with ASCVD, treatment strategies often require complex risk assessment, and we believe broader adoption of Lp(a)-targeted approaches may further accelerate clinical application and market penetration in the future.

Other than innovative drugs, we are also advancing selected medical device candidate and other product candidates. JXYY-JJU, an in-licensed integrated artificial large blood vessel device candidate for the surgical treatment of type A aortic dissection, is designed to reduce circulatory arrest time, simplify surgical workflows, reduce technical complexity, improve procedural safety and enhance clinical accessibility, and is currently in the clinical development stage. Colesevelam Tablets, our Category 3 new drug for lipid and glycemic management, and we have submitted a marketing application to the NMPA. Colesevelam Tablets can be used alone or in combination with statins as an adjunct to diet and exercise for the treatment of primary hyperlipidemia to reduce elevated LDL-C levels, and can also be used as an adjunct to diet and exercise to improve glycemic control in patients with type 2 diabetes. Kangfuxin enteric-coated capsules, our Category 2 traditional Chinese medicine candidate developed based on the clinical applications of our existing traditional Chinese medicine products and our formulation technology strengths, are intended for the treatment of mild-to-moderate active ulcerative colitis and have entered the Phase III clinical trial enrollment stage.

A diversified product portfolio and integrated business footprint with a proven track record and sustained cash flow contribution from our existing business

We have established a diversified and integrated business portfolio spanning drugs, APIs and medical devices. This multi-pillar commercial foundation has delivered tangible operating results and continues to generate steady cash flows, providing us with the financial resources, manufacturing capacity and commercialization infrastructure to support the continuous advancement of our innovative drug pipeline.

Drugs

We have established a diversified and multi-tier product portfolio covering, CNS disorders and cardiovascular and cerebrovascular diseases. In 2024, revenue from the sales of our commercialized drugs reached RMB2.5 billion. In addition to Dimdazenil, we have over 60 marketed drug products, including generic drugs, TCM products and biologics.

Within our CNS portfolio, a number of our products have demonstrated strong sales performance. In particular, according to Frost & Sullivan, we had four major marketed products that each ranked first in China's generic drug market in 2024, by market share within their respective product categories. These products include Levetiracetam Tablets (Jiyike®), Pramipexole Dihydrochloride Tablets/Extended-release Tablets (Suopule®), Sertraline Hydrochloride Tablets/Dispersible Tablets (Weititing®) and Rivastigmine Hydrogen Tartrate Capsules (Jingmeiting®). Within our cardiovascular and cerebrovascular portfolio, Rosuvastatin Calcium Tablets (Jingnuo®) and Pitavastatin Calcium Dispersible Tablets (Jingkexin®) are among our key products with strong market traction. In digestive system diseases and other areas, Bacillus licheniformis Live Capsules (Jingchangle®) is one of only two marketed products in this category, which we believe can put us in a favorable market position.

Leveraging our small-molecule development capabilities and the integration advantages of our API to drugs platform, we have established the ability to pursue rapid generic development strategies, including "fast follow", first-to-file/first-to-market and accelerated development programmes. From 2023 to 2025, we obtained 24 drug production approvals, further enriching our drugs portfolio. As of the Latest Practicable Date, we had submitted over 20 generic drug production registration applications to the NMPA.

APIs

We have extensive experience in the development and production of APIs. Our key API products include quinolone anti-infective APIs, cardiovascular APIs and CNS APIs. According to Frost & Sullivan, our subsidiary Shaoxing Jingxin is one of the leading manufacturers of quinolone APIs globally. In 2024, revenue from the sales of our API products reached RMB876.3 million. We have established our API and intermediates production footprint primarily through Shaoxing Jingxin and Shandong Jingxin, which support the development and market expansion of our API business and also provides our drug business with stable, reliable and cost-competitive upstream supply.

Medical devices

We entered the medical display resolutions sector through the acquisition of Shenzhen Beacon in 2015. According to Frost & Sullivan, Shenzhen Beacon is the only PRC medical display products manufacturer that has passed an on-site inspection by the U.S. FDA in the medical display product sector. We believe Shenzhen Beacon's intelligent medical display products are leading in China in key performance indicators such as precision, stability and consistency in image processing, and remain highly competitive internationally. These performance capabilities directly align with the stringent requirements of high-end equipment manufacturers and large hospitals and, in our view, contribute to a high technical barrier of entry in the industry.

Platform enabling efficient development, scalable manufacturing and rapid commercialization

We have established an integrated, full value-chain platform spanning APIs, clinical trial materials and commercial drugs, supported by a comprehensive R&D, manufacturing and quality management system. This platform enables end-to-end technology transfer from research and development to industrial scale-up and provides efficient and reliable chemistry, manufacturing and controls ("**CMC**") solutions for innovative drug candidates. These integrated capabilities support disciplined development execution, enhance supply-chain coordination and improve supply stability as products progress from development to commercialization.

We believe the coordinated development of our API and drugs businesses enhances cost competitiveness, supports efficient scale-up and creates favourable conditions for the industrialization and commercialization of innovative products.

On the commercialization side, we have built an academic promotion and sales network covering major provinces and key end markets in China, providing a mature foundation for the rapid ramp-up of innovative products. Dimdazenil exemplifies our execution capabilities across market access and commercialization. Following its approval in November 2023, we rapidly advanced Dimdazenil through the national reimbursement negotiation process and achieved its inclusion in the National Reimbursement Drug List in 2024, representing a critical breakthrough in payment-side access. In parallel, through close collaboration between our in-house team and core market promotion partners, we accelerated hospital access and physician education and established a three-tier network covering core cities, regional centers and primary hospitals. We had cumulatively organized more than 2,000 academic promotion events in 2024 and 2025. By the end of 2025, Dimdazenil had covered over 3,000 hospitals, including over 900 tertiary hospitals. We believe this has equipped us with a strong sales force, a mature channel foundation and a replicable promotion pathway to support the commercialization of our subsequent innovative products.

We have delivered consistent operating performance and sustained profitability, which provided meaningful internal funding for our innovation programs. Our total revenue increased from RMB1,416.0 million in 2015 to RMB4,158.6 million in 2024, our net profit increased from RMB165.0 million in 2015 to RMB719.1 million in 2024, and our R&D expenses increased from RMB74.0 million in 2015 to RMB383.5 million in 2024. We believe this track record reflects a significantly strengthened ability to generate cash and to sustain investment in R&D, providing a solid financial foundation for our continued innovation-driven growth.

An experienced management team combining innovation leadership and operational excellence, with proven end-to-end execution capabilities across the innovative drug lifecycle

We benefit from an experienced management team with deep expertise across our key therapeutic areas, including central nervous system disorders and cardiovascular and cerebrovascular diseases, and extensive experience spanning both generic drugs and innovative drugs. Our management team understands the scientific and clinical development dynamics of innovative drugs and is also well-versed in the domestic and international compliance and commercial operating environment. This enables us to maintain the stable and disciplined operation of our established businesses while allocating resources toward high-potential programs such as Dimdazenil and our Lp(a)-lowering innovative drug candidate JX2201, supporting our ongoing transformation into an innovation-driven comprehensive pharmaceutical group.

Our Chairman, Mr. Lyu Gang, is fully responsible for our business management, leading our strategy formulation and major operational decisions, and serves as our core strategic leader and business manager. With more than 30 years of experience in the healthcare industry, he has accumulated deep industry insights, mature corporate management experience and strong resource integration capabilities. He has coordinated major capital market initiatives such as listing and industrial M&A, helping us form a comprehensive pharmaceutical group structure with multi-area synergies and an ecosystem covering key value chain links. Mr. Lyu has clearly established our strategic direction of transforming from generics to innovative drugs, focusing on CNS/psychiatric and cardiovascular/cerebrovascular therapeutic areas to drive our strategic transformation into an innovative drug company. Mr. Lyu is widely recognized in the pharmaceutical industry and has received a number of honors, including "National Science and Technology Entrepreneurship Leading Talent," "Outstanding Entrepreneur of the Province," and "Provincial Model Worker."

Our R&D talent covers critical disciplines including drug discovery and development, chemical synthesis, innovative traditional Chinese medicine development and medical device technology, supporting continuous advances across multiple technical frontiers. In parallel, we have established a professional commercialization team for innovative products with strong academic promotion capabilities and extensive channel development experience, enabling efficient translation from product value to market adoption. By integrating R&D, technology transfer and commercial operations, we have built an end-to-end value creation chain from project initiation through commercialization, which we believe positions us to sustain innovation and strengthen our competitive position in China's pharmaceutical and healthcare market.

OUR STRATEGY

Maintain our commitment to R&D and accelerate our transition to an innovation-driven pharmaceutical company

We intend to continue investing in R&D at a relatively high level and to build innovation as our core growth engine, with product planning anchored in clinical needs and differentiated clinical value. We plan to further strengthen our innovative drug R&D platform and improve execution efficiency across discovery, translational activities, clinical development and chemistry, manufacturing and controls. We also expect to enhance early-stage productivity by leveraging advanced technologies, including exploring collaborations to improve the efficiency of drug discovery and preclinical research. In parallel, we plan to continue attracting and retaining high-caliber R&D talents in China to strengthen cross-functional collaboration to make our R&D capabilities scalable and sustainable.

Continue to focus on CNS and cardiovascular disease and advance key programs with disciplined execution

We intend to continue focusing resources on our two core therapeutic areas, (i) CNS disorders and, (ii) cardiovascular and cerebrovascular diseases, where we have accumulated clinical, market and execution experience and where we believe unmet needs remain significant. In CNS, we plan to advance clinical development and, commercialization of innovative programs across key indications, including insomnia, schizophrenia, epilepsy and depression, while leveraging our existing CNS franchise in market access, physician coverage and academic promotion. In cardiovascular and cerebrovascular diseases, we plan to focus on high-priority indications such as dyslipidemia and to advance our Lp(a)-lowering program in line with our clinical plan, including progression through Phase II and Phase III clinical development. We also intend to continue evaluating emerging targets and modalities globally to expand and refresh our innovation pipeline over time.

Further expand external collaborations and in-licensing as part of our dual-engine model

In addition to strengthening our in-house innovation capabilities, we intend to further expand external collaborations and in-licensing to broaden our technology reach and accelerate pipeline build-out. We expect to primarily focus on first-in-class and best-in-class opportunities in CNS disorders, while selectively pursuing opportunities in cardiovascular and cerebrovascular diseases, with the objective of complementing our internal pipeline and accessing differentiated assets, technologies or development capabilities. We plan to maintain a flexible approach that may include in-licensing, co-development and strategic partnerships, prioritizing programs with clear clinical differentiation, commercial potential and execution certainty. We believe this dual-engine model enhances the sustainability and continuity of our pipeline.

Strengthen our commercialization and sales network

We intend to further strengthen our commercialization organization and expand our sales network to support continued growth of our marketed products. For Dimdazenil, we plan to broaden and deepen penetration through continued academic promotion and physician education, with the goal of accelerating volume growth and reinforcing its market position. We also plan to enhance commercialization readiness for upcoming launches of other products by strengthening market access planning, reimbursement execution and post-launch promotion capabilities, including preparing for the commercialization of cariprazine hydrochloride capsules and colesevelam tablets following approval. More broadly, we intend to replicate the core elements of Dimdazenil's commercialization pathway, reimbursement access, hospital entry and targeted academic promotion, across future innovative product launches to improve execution efficiency and shorten the time from launch to meaningful sales contribution.

OUR PORTFOLIO ASSETS

Our business model combines the sales of our marketed products with the continued advancement of our innovative pipeline. We view innovative drugs as a driver of our strategic upgrade and long-term growth, and we are advancing our innovation portfolio in disease areas with significant unmet medical needs, supported by our integrated R&D, manufacturing and commercialization capabilities.

Generic drugs: We maintain a broad portfolio of marketed products comprising generic drugs. Generic drugs constitute a substantial component of our marketed portfolio and provide stable revenue contribution and broad market coverage, supporting continued investment in innovation. Our generic drug portfolio is primarily focused on (i) psychiatric and neurological drugs and (ii) cardiovascular and cerebrovascular drugs, with additional products in other therapeutic categories. These products provide stable revenue contribution, broad market coverage across hospitals and retail channels, and operating leverage to support continued R&D investment.

Innovative drugs: Innovative drugs are central to our transition and long-term growth. We focus our innovation efforts on two core areas, CNS disorders and cardiovascular and cerebrovascular diseases, and prioritize indications with meaningful unmet needs and attractive clinical and commercial potential. Our innovative pipeline is anchored by Dimdazenil (Junoenil®), our marketed insomnia therapy and a key milestone in our transition to an innovation-driven model.

Traditional Chinese medicine and biologics: We commercialize TCM and biologics, primarily in the digestive category.

APIs and medical devices: We generate revenue from sales of APIs to formulation enterprises and other downstream manufacturers, leveraging our manufacturing capabilities and quality systems to support scale and cost competitiveness. We also generate revenue from medical device sales, which are primarily direct, supplemented by limited distributor sales, supported by appropriate quality and after-sales processes.

During the Track Record Period, revenue from our product portfolio was derived from (i) drugs, including (a) generic drugs, (b) innovative drugs, (c) TCM and biologics; (ii) APIs; and (iii) medical devices.

	Year ended December 31,				Ten months ended October 31,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)							
					(Unaudited)			
Drugs								
Generic drugs	1,704,584	42.7	1,872,177	45.0	1,570,353	45.7	1,454,722	43.5
Innovative drugs	—	—	23,421	0.6	7,121	0.2	126,857	3.8
Traditional Chinese medicine and biologics	621,806	15.5	626,694	15.1	532,632	15.5	427,157	12.8
Active pharmaceutical ingredients	956,307	23.9	876,296	21.1	725,451	21.1	698,007	20.9
Medical ldevices	637,246	15.9	687,233	16.5	544,296	15.8	568,978	17.0
Others	78,892	2.0	72,730	1.7	58,535	1.7	68,423	2.0
Total	**3,998,835**	**100.0**	**4,158,551**	**100.0**	**3,438,388**	**100.0**	**3,344,144**	**100.0**

OUR MARKETED PRODUCTS

Our business model integrates the commercialization of our marketed products with the continued advancement of our product pipeline. During the Track Record Period, we generated a majority of our revenue from the sale of our marketed products, including generic drugs, Dimdazenil, TCM and biologics, APIs, and medical devices. Our marketed product portfolio includes sales of over 40 approved drug products across multiple specifications. Revenue generated from our marketed products has historically been an important source of funding for our research and development activities, including the development of our innovative drug candidates. We expect additional products to obtain marketing approval and be commercialized in the future. The table below sets forth an overview of our significant commercialized marketed products.

Therapeutic Area	Product Name	Brand Name
CNS	Levetiracetam Tablets	Jiyike®
	Sertraline Hydrochloride Tablets/ Disintegrating Tablets	Weititing®
	Pramipexole Dihydrochloride Tablets/ Extended-release Tablets	Suopule®
	Rivastigmine Hydrogen Tartrate Capsules	Jingmeiting®
	Dimdazenil	Jingnuoning®

Therapeutic Area	Product Name	Brand Name
Cardiovascular & Cerebrovascular	Rosuvastatin Calcium Tablets	Jingnuo®
	Pitavastatin Calcium Orally Disintegrating Tablets	Jingkexin®
	Simvastatin Tablets	Jingbishuxin®
Gastrointestinal & Others	Kangfuxin Oral Liquid	—
	Bacillus licheniformis Live Bacterial Capsules	Jingchangle®
	Cefuroxime Axetil Tablets	—

Our Selected Generic Drugs

Psychiatric and Neurological Drugs

As of the Latest Practicable Date, our psychiatric and neurological portfolio consists of six approved products, including but not limited to levetiracetam tablets, sertraline hydrochloride tablets/dispersible tablets, pramipexole dihydrochloride tablets/extended-release tablets, rivastigmine hydrogen tartrate capsules and memantine hydrochloride extended-release capsules. These products are primarily indicated for the treatment of epilepsy, depression, Parkinson's disease, Alzheimer's disease and other central nervous system disorders. During the Track Record Period, sales of our psychiatric and neurological drugs constituted a significant portion of our revenue from pharmaceutical products.

Jiyike 吉易克® Levetiracetam Tablets (左乙拉西坦片)

Our levetiracetam tablets, under the brand name Jiyike (吉易克®), was first approved by the NMPA in 2014. Levetiracetam is a second-generation anti-epileptic drug primarily used for the treatment of epilepsy and is commonly prescribed for the management of partial-onset seizures in clinical practice. Jiyike is used for the treatment of partial-onset seizures, with or without secondary generalization, in adult epilepsy patients and pediatric epilepsy patients aged four years and above.

Certain specifications of our levetiracetam tablets have passed the generic drug consistency evaluation. According to Frost & Sullivan, there were over 63 levetiracetam products in China as of the Latest Practicable Date, and Jiyike was ranked first in China's levetiracetam generic drug market, with a market share of approximately 35.3% in 2024.

Jiyike is positioned as a broad-spectrum anti-epileptic therapy that is recommended by both domestic and international clinical guidelines and is widely used as a first-line option across multiple seizure types. With a differentiated mechanism of action, Jiyike can be used in combination with other anti-epileptic drugs, supporting flexible add-on treatment regimens in clinical practice. In addition, Jiyike is associated with relatively few and generally mild adverse reactions, supporting its suitability for patient populations in which tolerability is an important consideration, including elderly patients, and pediatric patients. Our levetiracetam tablets have been exported on a sustained basis to Germany and the United Kingdom, and we hold relevant FDA clearances and have sold the product in the United States.

Weititing 唯他停® Sertraline Hydrochloride Tablets/Dispersible Tablets (鹽酸舍曲林片／分散片)

Our sertraline hydrochloride tablets/dispersible tablets, under the brand name Weititing (唯他停®), was first approved by the NMPA in 2005. Sertraline is a selective serotonin reuptake inhibitor primarily indicated for the treatment of depression and certain anxiety-related disorders. Weititing contains sertraline hydrochloride as its active ingredient and is used for the management of depressive symptoms, including depression accompanied by anxiety, with or without a history of mania. It is also used in the management of obsessive-compulsive disorder ("**OCD**"). After a satisfactory therapeutic response is achieved, continued treatment with Weititing can help reduce the risk of relapse and recurrence of depressive and OCD symptoms.

According to Frost & Sullivan, there were over 30 sertraline products in China as of the Latest Practicable Date, and Weititing was ranked first in China's sertraline generic drug market, with a market share of approximately 26.1% in 2024. Sertraline hydrochloride was included in the 2025 NRDL.

Suopule 索普樂® Pramipexole Dihydrochloride Tablets/Extended-release Tablets (鹽酸普拉克索片／緩釋片)

Our pramipexole dihydrochloride tablets/extended-release tablets, under the brand name Suopule (索普樂®), was first approved by the NMPA in 2018. Pramipexole is a dopamine agonist primarily used for the treatment of Parkinson's disease and is widely used in clinical practice for the management of relevant symptoms. Suopule is applied in the management of idiopathic Parkinson's disease in adult patients. Suopule is indicated for the treatment of idiopathic Parkinson's disease in adult patients and is also indicated for the symptomatic treatment of moderate to severe idiopathic restless legs syndrome.

Suopule is available in both immediate-release tablet and extended-release tablet formulations. Both the tablet and extended-release tablet formulations have passed the national generic drug consistency evaluation. The availability of these formulations is positioned to enhance treatment accessibility and help reduce patients' overall medical burden.

According to Frost & Sullivan, there were over nine pramipexole products in China as of the Latest Practicable Date, and Suopule was ranked first in China's pramipexole generic drug market, with a market share of approximately 44.2% in 2024. Pramipexole was included in the 2025 NRDL.

Jingmeiting 京美汀® Rivastigmine Hydrogen Tartrate Capsules (重酒石酸卡巴拉汀膠囊)

Our rivastigmine hydrogen tartrate capsules, under the brand name Jingmeiting (京美汀®), was first approved by the NMPA in 2018. Rivastigmine is a cholinesterase inhibitor primarily indicated for the treatment of mild to moderate Alzheimer's disease and is commonly used in clinical practice for symptom management. Jingmeiting is applied in the symptomatic management of mild to moderate Alzheimer's-type dementia. It represents the first generic product of its kind available in China and is positioned as a commonly used option for patients with mild to moderate Alzheimer's disease, consistent with recommendations in domestic and international clinical guidelines.

Jingmeiting is positioned as a dual cholinesterase inhibitor and is intended to help increase and sustain acetylcholine levels in the brain. As cholinergic dysfunction is closely associated with cognitive impairment in Alzheimer's disease, enhancing cholinergic neurotransmission through dual cholinesterase inhibition may support improvement or stabilization of cognitive symptoms and daily functioning and may therefore help slow the progression of cognitive decline in clinical practice. In addition, Jingmeiting is not metabolized by the liver and may reduce the risk of drug–drug interactions and support its use in elderly patient populations.

According to Frost & Sullivan, there were over 17 rivastigmine products in China as of the Latest Practicable Date, and Jingmeiting was ranked first in China's rivastigmine market, with a market share of approximately 30.8% in 2024. Rivastigmine was included in the 2025 NRDL.

Cardiovascular and Cerebrovascular Drugs

As of the Latest Practicable Date, our cardiovascular and cerebrovascular portfolio consists of 17 approved products, including but not limited to simvastatin tablets, rosuvastatin calcium tablets and pitavastatin calcium dispersible tablets. These products are primarily indicated for the treatment of hyperlipidemia and related cardiovascular conditions. Sales of cardiovascular and cerebrovascular drugs have historically represented a stable component of our revenue base.

Jingnuo 京諾® Rosuvastatin Calcium Tablets (瑞舒伐他汀鈣片)

Our rosuvastatin calcium tablets, under the brand name Jingnuo (京諾®), was first approved by the NMPA in 2008. Rosuvastatin is a statin primarily used for lipid lowering and cardiovascular risk management. Jingnuo was among the first rosuvastatin calcium tablet products to pass the PRC generic drug quality and efficacy consistency evaluation. It is applied in the clinical management of hypercholesterolemia and mixed dyslipidemia.

According to Frost & Sullivan, there were over 44 rosuvastatin products in China as of the Latest Practicable Date, and Jingnuo was ranked second in China's rosuvastatin generic market, with a market share of approximately 19.1% in 2024. Rosuvastatin was included in the 2025 NRDL.

Compared with the originator rosuvastatin product, Jingnuo is positioned with potent lowdensity lipoprotein cholesterol ("**LDL-C**") lowering capability. The product demonstrates quality comparability to the originator formulation and offers favorable cost-effectiveness, supporting a reduction in patients' overall medical expenses.

Jingkexin 京可新® Pitavastatin Calcium Dispersible Tablets (匹伐他汀鈣分散片)

Our pitavastatin calcium dispersible tablets, under the brand name Jingkexin (京可新®), was first approved by the NMPA in 2013. Pitavastatin is a statin primarily indicated for the treatment of hypercholesterolemia and related dyslipidemia conditions. Jingkexin contains pitavastatin calcium as its active ingredient and is applied in the management of hypercholesterolemia, including familial hypercholesterolemia. Jingkexin is a pitavastatin calcium product in China available in a dispersible tablet formulation, providing a differentiated dosage form option in the domestic market.

According to Frost & Sullivan, there were over 15 pitavastatin products in China as of the Latest Practicable Date, and Jingkexin was ranked first in China's pitavastatin generic drug market, with a market share of approximately 37.4% in 2024. Pitavastatin was included in the 2025 NRDL.

Compared with certain other lipid-lowering agents, Jingkexin is positioned to deliver potent LDL-C reduction. Clinical data have reported that pitavastatin 2 mg can reduce LDL-C by up to 42%, with lipid-lowering efficacy comparable to atorvastatin 20 mg. In addition, pitavastatin is positioned as having a favorable profile with respect to glucose metabolism and is not expected to increase the risk of new-onset diabetes, supporting a potential advantage versus atorvastatin in this regard.

Jingbishuxin 京必舒新® Simvastatin Tablets (辛伐他汀片)

Our simvastatin tablets, under the brand name Jingbishuxin (京必舒新®), was first approved by the NMPA in 1999. Simvastatin is an HMG-CoA reductase inhibitor (statin) primarily used for lipid regulation and the treatment of hypercholesterolemia and related conditions. Jingbishuxin® is use for comprehensive lipid management and is associated with a favorable safety and tolerability profile, supporting reduction of cardiovascular and cerebrovascular event risk in clinical practice. Its clinical application primarily relates to hyperlipidemia and coronary heart disease management. Simvastatin was the first chemical lipid-lowering agent included in China's National Essential Medicines List and has long served as a cornerstone therapy in lipid management.

According to Frost & Sullivan, there were over 99 simvastatin products in China as of the Latest Practicable Date, and Jingbishuxin® was ranked third in China's simvastatin generic drug market, with a market share of approximately 7.9% in 2024. Simvastatin was included in the 2025 NRDL.

Jingbishuxin® was among the first domestically listed simvastatin tablet product in China and has since been established as the leading domestic simvastatin brand. The Simvastatin tablets were also the first simvastatin product manufactured in China to be exported to developed markets in Europe and the United States.

Our Selected Innovative Drug and Other Products Pipeline

We focus our innovative drug and other product development efforts on two core therapeutic areas: (i) CNC disorders, including insomnia, schizophrenia, epilepsy, depression and Parkinson's disease, and (ii) cardiovascular and cerebrovascular diseases, including hyperlipidemia. We prioritize carefully selected indications that we believe offer an attractive combination of scientific tractability and commercial potential.

We have established an innovation product pipeline led by two key assets. Our Dimdazenil, a benzodiazepine-class sedative-hypnotic with a novel mechanism of action that we believe to be first-in-class globally, has been approved for marketing in China in 2023 and was included in the National Reimbursement Drug List ("**NRDL**") in 2024, and its commercialization has progressed in line with our plans. Our JX2201, a Category 1 innovative drug candidate for the treatment of elevated lipoprotein(a) ("**Lp(a)**") levels, targets a mechanism for which, to our best knowledge, no Lp(a)-lowering drug has been commercialized globally to date. JX2201 is expected to complete the Phase I clinical trial in the first quarter of 2026, and we are advancing its development in accordance with our clinical plan, including progressing to Phase II clinical development in China and continuing Phase I clinical development in the United States.

Dimdazenil (Junoenil®) 地達西尼(京諾寧R)

Overview

Dimdazenil (Junoenil®), one of our innovative drugs, is a novel, orally administered small molecule drug approved in China for the treatment of insomnia.

Dimdazenil acts as a partial agonist of the gamma-aminobutyric acid A ("**GABA_α**") receptor. Compared with full agonists, its partial-agonist profile avoids excessive receptor activation, resulting in reduced next-day impairment and a lower incidence of adverse reactions. Dimdazenil demonstrates a favorable pharmacological profile, with rapid absorption and a time to peak concentration of approximately one hour, supporting prompt sleep induction, and an elimination half-life of approximately four hours, which is aligned with the maintenance of physiological sleep architecture. Metabolism of Dimdazenil is primarily mediated by flavin-containing monooxygenase ("**FMO**"), which is associated with a reduced risk of clinically meaningful drug-drug interactions.

Dimdazenil has been included in leading clinical guidelines in China. Marketing approval in China was obtained in the fourth quarter of 2023, and the product was included in the NRDL in 2024.

Background: insomnia and treatment landscape

Insomnia is a sleep disorder characterized by dissatisfaction with sleep quantity and/or quality despite adequate opportunity for sleep. It typically manifests as difficulty initiating sleep, difficulty maintaining sleep, early morning awakening, reduced total sleep time and impaired daytime functioning. Insomnia represents a substantial public health burden.

The clinical management of insomnia includes non-pharmacologic interventions, such as cognitive behavioral therapy for insomnia ("**CBT-I**"), as well as pharmacologic therapies. However, in practice, the accessibility and availability of CBT-I may be limited, which may constrain broader implementation in real-world settings. As a result, pharmacologic therapies remain widely used, including benzodiazepines ("**BZDs**") and non-benzodiazepine "Z-drugs" (such as Zolpidem, Zopiclone and Zaleplon), which exert their effects through modulation of the GABA_α receptor. Notwithstanding their established use, existing pharmacologic therapies may be associated with clinically meaningful limitations, including the risk of dependence and other adverse effects (which may increase with prolonged use), as well as residual next-day effects that may adversely affect daytime functioning and adherence.

Global Novel Mechanism

Unlike traditional full agonists of the GABA_α receptor, Dimdazenil was designed to provide a partial agonist profile. Dimdazenil enhances GABA currents mediated by GABA_α receptors while exhibiting moderate agonist activity at the α1 subunit compared with the α2 and α3 subunits, with a maximum agonist activity reaching 62% of that induced by 1μmol/L diazepam. This pharmacological profile may help avoid excessive central nervous system inhibition, with reduced daytime impairment and fewer adverse reactions. In addition, Dimdazenil is has a non-addictive profile and is not associated with respiratory depression, adverse effects that are commonly observed with full GABA_α receptor agonists.

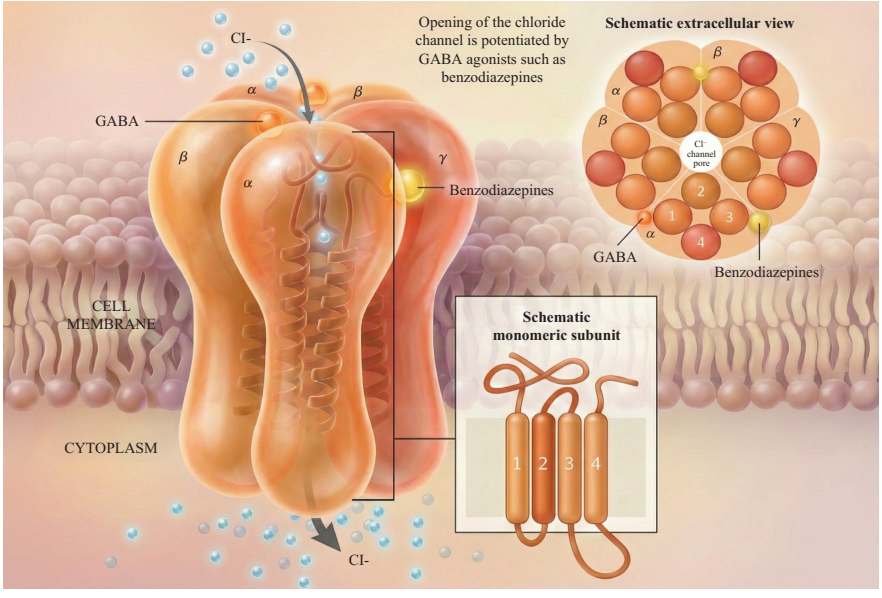
Mechanism of Action

Dimdazenil is a partial agonist of the GABA_α receptor and has been developed for the treatment of insomnia.

The GABA_α receptor is a ligand-gated chloride (Cl^-) channel. Upon binding of the neurotransmitter γ-aminobutyric acid, the channel opens and allows Cl^- influx, which reduces neuronal excitability and enhances inhibitory neurotransmission. In sleep-wake regulatory circuits, GABAergic neurons in the ventrolateral preoptic area ("**VLPO**") promote sleep by inhibiting wake-promoting arousal centers. Accordingly, enhancement of GABA_α receptor-mediated inhibition represents a well-established pharmacologic strategy to promote sleep.

Many sedative-hypnotic agents modulate GABA_α receptors allosterically, by binding to receptor sites distinct from the GABA binding site, thereby potentiating the effects of endogenous GABA. In particular, benzodiazepine-site bind at the α / γ subunit interface of GABA_α receptors containing specific α subunits (e.g., α 1, α 2, α 3, and α 5). These positive allosteric modulators increase the probability of channel opening in the presence of GABA.

Dimdazenil is a novel benzodiazepine-class drug that acts as a partial positive allosteric modulator of the GABA_α receptor. A key mechanistic feature of Dimdazenil is its partial agonist profile: compared with full agonists, Dimdazenil produces a lower maximal potentiation of GABA_α receptor activity, thereby creating a pharmacological "ceiling" on receptor potentiation even at higher exposure levels. At the receptor subtype level, Dimdazenil enhances GABA_α receptor-mediated GABA currents while exhibiting moderate agonist activity at the α 1 subunit, with a maximum agonist effect reaching approximately 62% of that induced by 1μmol/L diazepam.



JX2201

Overview

JX2201 is a Category 1 innovative small-molecule drug candidate being developed for the treatment of elevated lipoprotein(a) ("**Lp(a)**"), with apolipoprotein(a) ("**Apo(a)**") as its therapeutic target. JX2201 is designed as a small-molecule Lp(a) inhibitor that disrupts the initial non-covalent interaction between Apo(a) and apolipoprotein B100 ("**ApoB100**"), thereby preventing subsequent disulfide bond formation and Lp(a) assembly. Through this mechanism, JX2201 is intended to reduce plasma Lp(a) levels and ultimately support cardiovascular risk reduction.

Apo(a) is the unique apolipoprotein component of Lp(a) and is a key determinant of Lp(a)-associated atherosclerotic cardiovascular disease ("**ASCVD**") risk. Lp(a) is synthesized in the liver and secreted into the circulation, where it may deposit in vascular tissues and aortic valve leaflets. Structurally, Lp(a) resembles low-density lipoprotein ("**LDL**") but contains an additional Apo(a) moiety covalently linked to ApoB100 via a disulfide bond.

Mechanism of Action

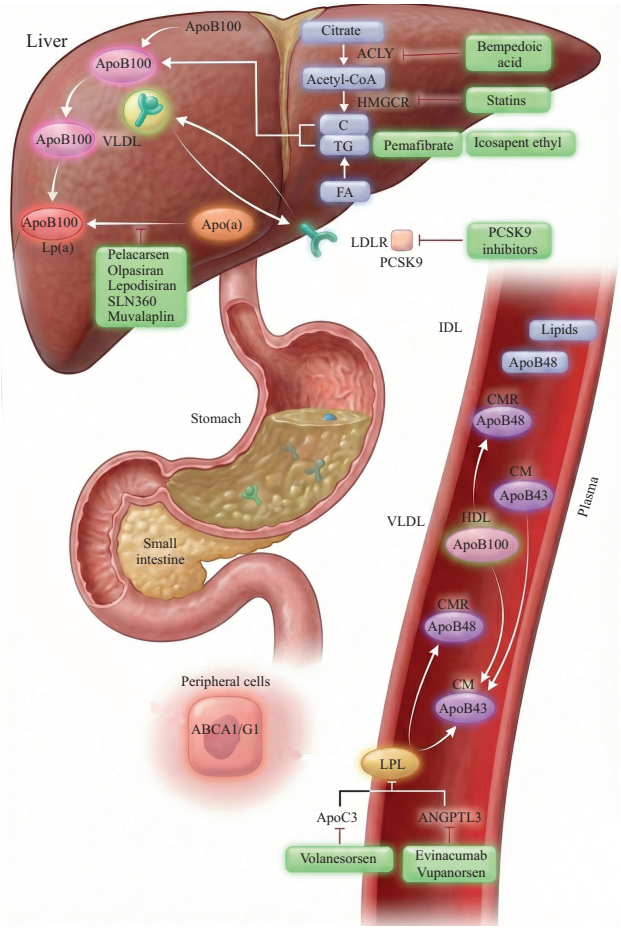
Lp(a) contains Apo(a), a highly glycosylated and hydrophilic apolipoprotein that is unique to Lp(a) and is considered central to its ASCVD-related effects.

The pathobiology of Lp(a) has been associated with multiple mechanisms attributable to its structural components, including:

- Prothrombotic effects primarily associated with Apo(a), such as attenuation of plasminogen activation and reduced fibrin degradation, together with increased endothelial expression of plasminogen activator inhibitor-1 ("**PAI-1**"), increased tissue factor pathway inhibitor activity, and enhanced platelet reactivity;

- Pro-atherosclerotic effects primarily associated with ApoB, including increased endothelial binding, upregulation of adhesion molecules, enhanced vascular smooth muscle cell proliferation, increased binding to proteoglycan-rich extracellular matrix, promotion of foam cell formation, expansion of necrotic core formation, and increased lesion calcification; and

- Pro-inflammatory effects primarily associated with ApoB and oxidized phospholipids, including increased interleukin-8 expression in macrophages, increased monocyte cytokine release, enhanced phospholipid oxidation, and increased monocyte chemotaxis and migration, together with carriage of monocyte chemoattractant protein-1 ("**MCP-1**").



Within this mechanistic framework, JX2201 is designed to reduce circulating Lp(a) by disrupting the initial non-covalent interaction between Apo(a) and ApoB100, thereby preventing subsequent disulfide bond formation and Lp(a) assembly. By inhibiting Lp(a) formation at its source, JX2201 aims to lower plasma Lp(a) levels and support cardiovascular related diseases risk reduction.

Competitive Advantages

JX2201 is being developed as a small-molecule Apo(a)-targeting therapy within a competitive landscape that is currently dominated by injectable oligonucleotide approaches (ASO/siRNA).

JX2201 is designed to disrupt the Apo(a)-ApoB100 interaction required for Lp(a) assembly, thereby preventing Lp(a) formation at its source. We believe this mechanism represents a differentiated, biology-driven strategy that directly targets Apo(a), a key determinant of Lp(a)-mediated ASCVD risk, and supports the development rationale of JX2201 in addressing the unmet need for effective Lp(a)-lowering therapies.

JX2201 is expected to have completed Phase I clinical evaluation and we have initiated Phase II clinical trial preparations. As of the Latest Practicable Date, we had not commenced patient enrolment for the Phase II clinical trial.

JX2414

Overview

Agitation is a common acute syndrome in psychiatric practice, typically manifested by restlessness, heightened psychomotor activity and anxiety. In severe cases, agitation may escalate to impulsive or aggressive behaviors, prolong hospitalization and increase healthcare resource utilization. It is frequently observed in patients with Alzheimer's disease, schizophrenia and bipolar disorder.

Clinical consensus emphasizes that the management of acute agitation should aim for rapid onset of action, achievement of calmness without excessive sedation, convenience of administration, minimal invasiveness, and a low risk of adverse reactions and drug-drug interactions. However, currently used therapies, including oral second-generation antipsychotics (such as olanzapine and risperidone) and injectable or intravenous benzodiazepines, are often associated with clinically meaningful safety limitations, including respiratory depression, QTc prolongation and extrapyramidal symptoms. As a result, significant unmet clinical needs remain in the acute management of agitation.

Against this backdrop, our preclinical drug candidate JX2414 is being developed as an injectable option for the acute control of agitation episodes. JX2414 is a gamma-aminobutyric acid A receptor modulator with high selectivity and affinity for the α 1, α 2 and α 3 subunits. Preclinical pharmacology studies have demonstrated clear sedative activity. Its intramuscular formulation is designed to enable rapid and effective symptom control in acute agitation settings and to align with key clinical requirements for timely, controllable and practical agitation management.

Summary of Clinical Trial Results

JX2414 is currently in the preclinical stage. In preclinical pharmacology studies, JX2414 demonstrated clear sedative efficacy in relevant animal models. Based on our current development plan, we plan to obtain clinical trial approval in the second quarter of 2026.

JX2401

Overview

JX2401 is a preclinical drug candidate targeting voltage-gated sodium ("**Nav**") channels for the treatment of epilepsy, a chronic neurological disorder characterized by recurrent seizures driven by abnormal neuronal discharges. Epilepsy represents a substantial global disease burden, affecting more than 50 million patients worldwide. In China, approximately 6.4 million individuals are estimated to have active epilepsy, with around 300,000 new cases diagnosed each year, and prevalence is expected to increase further with population aging.

JX2401 is developed to address significant unmet medical needs. Despite the availability of multiple anti-seizure medications, approximately 30% of patients remain drug-resistant and fail to achieve adequate seizure control under standardized therapy. In addition, severe epilepsy subtypes, such as epileptic encephalopathies (including Dravet syndrome) and super-refractory status epilepticus, lack effective pharmacologic treatment options and are associated with substantial risks of neurological deterioration and mortality.

Summary of Clinical Trial Results

JX2401 is currently in the preclinical stage. Based on the current development plan, we plan to obtain the clinical trial authorization in the first half of 2027.

JX2404

Overview

Our preclinical drug candidate JX2404 is being developed for the treatment of schizophrenia and is designed to address key unmet needs through dual targeting of the muscarinic acetylcholine receptor ("**mAChR**") M1 and M4 subtypes.

Schizophrenia is a high-prevalence and severe psychiatric disorder. In China, the affected population is estimated at approximately 8.6 million patients. Despite the availability of antipsychotic therapies, substantial unmet needs remain, particularly in the treatment of negative symptoms and cognitive impairment. In addition, long-term disease management is often complicated by safety and tolerability concerns associated with existing therapies, including metabolic abnormalities and movement-disorder-related adverse effects, which can negatively impact treatment adherence.

Summary of Clinical Trial Results

JX2404 is currently in the preclinical stage. Based on the current development plan, we plan to obtain the clinical trial approval in the second half of 2027.

JX2409

Overview

Our preclinical drug candidate JX2409 is developed for the treatment of diabetic peripheral neuropathic pain ("**DPNP**"). It targets a voltage-gated sodium ("**Nav**") ion channel that is selectively expressed in dorsal root ganglia ("**DRG**") neurons and adopts a small nucleic acid-based approach, with the goal of achieving precise analgesic effects while reducing off-target adverse effects.

DPNP is a common and debilitating chronic complication of diabetes, primarily manifested as distal limb pain. In China, the affected patient population is estimated at approximately 35 million, of whom around 70% experience moderate-to-severe pain. Current pharmacologic options, including pregabalin and opioids, often provide limited pain relief and may be associated with clinically meaningful limitations such as tolerance development, addiction potential, and organ-related toxicity. As a result, there remains a substantial unmet medical need for safer and more effective targeted therapies for DPNP.

Summary of Clinical Trial Results

JX2409 is currently in the preclinical stage. Based on the current development plan, we plan to obtain the clinical trial approval by the end of 2027.

Cariprazine hydrochloride

Overview

Cariprazine hydrochloride (鹽酸卡利拉嗪) is developed as a first generic version of the originator product in China and has established clinical utility across major psychiatric indications, including schizophrenia and bipolar disorder (both bipolar depression and bipolar mania). The program is supported by an exclusive patent license for Chinese mainland obtained pursuant to an agreement with an independent third party.

Mechanism of Action

Cariprazine is a dopamine receptor partial agonist with a differentiated, multi-receptor pharmacological profile. It exhibits high affinity for dopamine D3 and D2 receptors and partial agonist activity at the serotonin 5-HT1A receptor. In addition, cariprazine acts as an antagonist at the 5-HT2B and 5-HT2A receptors and also binds to the histamine H1 receptor.

At the dopaminergic system level, cariprazine functions along a spectrum of antagonist and agonist activity, ranging from "silent antagonism" to full agonism, thereby modulating dopaminergic signaling in a context-dependent manner. This receptor selectivity and functional profile has been associated with antipsychotic efficacy and has been linked to clinical effects in symptom domains such as negative symptoms and cognitive impairment in schizophrenia.

Beyond its antipsychotic effects, cariprazine's multi-receptor engagement has also been associated with clinical benefits in mood regulation, including improvement of depressive symptoms, and underpins its therapeutic activity in bipolar disorder.

Competitive Advantages

Cariprazine's competitive profile is underpinned by its differentiated multi-receptor pharmacology, particularly its activity at dopamine D3 receptors as well as serotonergic and adrenergic receptors, which distinguishes it pharmacologically from many other antipsychotics and supports clinical effects across multiple symptom domains.

Clinically, efficacy comparable to an active control in acute schizophrenia, together with a generally favorable tolerability profile and the absence of unexpected safety signals, supports a benefit-risk profile consistent with broad clinical use.

Compared to the positive control drug (Aripiprazole Tablets, Ability®), Cariprazine Hydrochloride Capsules administered over 6 weeks significantly improved positive symptoms, negative symptoms, and general psychopathology symptoms in acute-phase schizophrenia. Its efficacy was non-inferior to that of Aripiprazole Tablets (Ability®). The overall safety and tolerability profile was favorable, with no unexpected adverse reactions occurring, and no new safety signals affecting the benefit/risk ratio of Cariprazine Hydrochloride Capsules were observed.

Colesevelam Hydrochloride Tablets

Overview

Colesevelam hydrochloride tablets are an orally administered bile acid sequestrant intended to support the co-management of dyslipidemia and glycemic control in a cardiometabolic patient population. The product is primarily targeted at adult patients with type 2 diabetes mellitus ("**T2DM**") accompanied by hypercholesterolemia, where lipid abnormalities and impaired glycemic control frequently coexist.

When used as an adjunct to diet and exercise, colesevelam hydrochloride is expected to reduce elevated low-density lipoprotein cholesterol ("**LDL-C**") and may provide an adjunctive improvement in glycemic control, as reflected by reductions in hemoglobin A1c ("**HbA1c**"), based on available clinical data.

Mechanism of Action

Colesevelam hydrochloride is a non-absorbed polymer. Its pharmacological activity occurs within the gastrointestinal tract and it is not systemically absorbed. Its primary lipid-lowering effect is mediated through an intestinal–hepatic pathway.

Following oral administration, colesevelam hydrochloride binds bile acids in the intestine with high affinity, forming an insoluble complex that is eliminated in the feces. This interrupts normal enterohepatic recycling of bile acids and increases fecal bile-acid excretion. In response, the liver increases conversion of hepatic cholesterol into bile acids, thereby reducing intracellular cholesterol levels. Hepatocytes subsequently upregulate low-density lipoprotein ("**LDL**") receptor expression, enhancing clearance of circulating LDL-C and supporting LDL-C reduction.

Colesevelam hydrochloride has also been reported to provide an adjunctive glycemic benefit in certain clinical settings. The mechanism underlying its glycemic effect has not been fully elucidated, and may involve bile acid–related signaling pathways and downstream metabolic effects.

Competitive Advantages

Colesevelam hydrochloride tablets offer a differentiated profile in cardiometabolic management, with (i) a localized intestinal mechanism without systemic absorption and (ii) limited reliance on hepatic or renal metabolism, which may support combination use with other lipid-lowering and glucose-lowering agents, subject to clinical judgment and product label.

Summary of Clinical Trial Results

Colesevelam hydrochloride tablets have completed domestic clinical studies in China. In April 2025, we received from the NMPA a notice of acceptance in respect of our marketing authorization application for Colesevelam hydrochloride.

Kangfuxin Enteric-coated Capsules

Our Kangfuxin enteric-coated capsules is an improved traditional Chinese medicine new drug developed based on our marketed product, Kangfuxin oral liquid. Kangfuxin enteric-coated capsules is classified as a Category 2 improved TCM new drug and is being developed for the treatment of mild to moderate active ulcerative colitis, a chronic inflammatory bowel disease. By leveraging the established core active ingredient of the Kangfuxin product series, Kangfuxin enteric-coated capsules is designed to provide an additional TCM-based treatment option for ulcerative colitis.

Kangfuxin enteric-coated capsules contain the core active component of the Kangfuxin product series, namely the extract of Periplaneta americana, and are designed to maintain the traditional therapeutic rationale of promoting blood circulation and nourishing yin and regenerating tissue. The product is supported by our raw material supply from our Yunnan Jingxin Periplaneta americana GAP breeding base, which we believe supports consistency in raw material quality and batch-to-batch stability.

Compared with conventional oral dosage forms, Kangfuxin enteric-coated capsules adopt an enteric-coated formulation designed to remain intact in gastric fluid and release active components primarily in the intestinal environment. This formulation is intended to enable more targeted delivery to intestinal lesions, increase local exposure at the site of disease, and support repair of damaged intestinal mucosa.

Our Selected Traditional Chinese Medicine and Biologics

Jingxin (京新®) Kangfuxin Oral Liquid (康復新液)

Our Kangfuxin oral liquid, under the brand name Jingxin (京新®), is a Chinese medicine product and one of the key products promoted by our business division. Kangfuxin oral liquid is prepared from an ethanol extract of Periplaneta americana as the major herbal ingredient, and contains multiple active components such as bioactive peptides and polyols. It is traditionally used for promoting blood circulation and regenerating tissue. In addition, Kangfuxin oral liquid has been reported to promote the expression of growth factors such as epidermal growth factor and basic fibroblast growth factor ("**bFGF**"), thereby supporting gastric mucosal repair and wound healing quality. Clinically, Kangfuxin oral liquid may be administered orally for conditions such as blood stasis obstruction, gastric pain with bleeding, gastric ulcer and duodenal ulcer, and may also be applied topically for the management of traumatic wounds, ulcers, fistulas, burns (including scalds) and pressure sores, in each case in accordance with the approved product label and clinical practice.

Kangfuxin oral liquid was first approved by the NMPA in 2003. As of the Latest Practicable Date, Kangfuxin oral liquid is included in the NRDL as a Category B medicine. Kangfuxin oral liquid has been recognized as a National Key New Product.

Jingchangle 京常樂® Bacillus Licheniformis Live Capsules (地衣芽孢桿菌活菌膠囊)

Our bacillus licheniformis live capsules, under the brand name Jingchangle (京常樂®), was first approved by the NMPA in 2008. Bacillus licheniformis live capsules are a probiotic preparation primarily used for the management of acute and chronic enteritis and diarrhea and for the prevention and treatment of intestinal flora imbalance in relevant cases. Jingchangle contains Bacillus licheniformis as

its active ingredient and is positioned for clinical application in gastrointestinal conditions such as acute and chronic enteritis and diarrhea associated with bacterial or fungal infections, as well as in the management and prevention of intestinal flora imbalance arising from other causes. The product is characterized by a bidirectional, dual biological effect: it can rapidly establish a low-oxygen intestinal environment that supports the proliferation of beneficial bacteria while inhibiting the growth of pathogenic microorganisms. Jingchangle was ranked second in China's bacillus licheniformis live capsules market, with a market share of approximately 30.2% in 2024. Jingchangle was included in the 2025 NRDL.

We believe Jingchangle is positioned with a rapid onset of action, favorable efficacy profile, high safety margin and strong cost-effectiveness. The product supports room-temperature storage, enhancing convenience in storage and portability. From a regulatory and access perspective, Jingchangle is included as a Category B medicine under the National Reimbursement Drug List, classified as OTC Category B, and listed in the National Essential Medicines List.

Our Selected Active Pharmaceutical Ingredients

We have established a portfolio of APIs across three therapeutic areas: (i) quinolone anti-infectives, (ii) cardiovascular therapies, with a focus on lipid lowering, and (iii) central nervous system therapies. Our APIs portfolio supports global supply through broad regulatory registrations and certifications across multiple jurisdictions. We operate an APIs business that supports both (i) external supply to third-party customers, and (ii) internal supply for certain of our drugs. We believe our APIs business enhances supply stability, supports cost competitiveness and strengthens our integrated manufacturing capabilities.

We primarily generate APIs revenue through direct sales and via distributorship to third-party pharmaceutical manufacturers, including domestic and overseas customers. During the Track Record Period, revenue from our APIs business amounted to RMB956.3 million, RMB876.3 million, RMB725.5 million and RMB698.0 million for the year ended December 31, 2023, the year ended December 31, 2024, and the ten months ended October 31, 2024 and 2025, respectively, representing 23.9%, 21.1%, 21.1% and 20.9% of our total revenue for the corresponding periods, respectively.

Quinolone Anti-infective APIs

Levofloxacin (左氧氟沙星) is a cornerstone product in our quinolone APIs portfolio, with a leading global market position and broad regulatory registrations covering China, Europe, Japan, and the WHO. Clinically, Levofloxacin is a fluoroquinolone antibacterial agent used to treat infections caused by designated susceptible bacteria. Its antibacterial activity is mediated through inhibition of bacterial DNA gyrase and topoisomerase IV (both type II topoisomerases), which are essential for DNA replication, transcription, repair, and recombination.

Ciprofloxacin (環丙沙星) has obtained certification from Brazil's National Health Surveillance Agency (ANVISA), supporting access to the Brazilian market.

Enrofloxacin (恩諾沙星) serves both anti-infective needs and veterinary and animal husbandry applications, with regulatory registrations covering China and Europe.

Cardiovascular APIs

Our cardiovascular API portfolio focuses on high-incidence disease areas, including lipid-lowering and antithrombotic medicine. Rosuvastatin calcium (瑞舒伐他汀鈣), a lipid-lowering agent, has achieved a leading market share in China. Our manufacturing process innovations are designed to reduce production costs while improving product purity, and the product has obtained regulatory registrations in China, Europe, and the United States.

Rosuvastatin lowers plasma low-density lipoprotein cholesterol ("**LDL-C**") and total cholesterol by inhibiting 3-hydroxy-3-methylglutaryl-coenzyme A ("**HMG-CoA**") reductase, thereby reducing hepatic cholesterol synthesis and increasing hepatic uptake of circulating LDL-C.

CNS APIs

In the CNS therapeutic area, we have progressed from a technology follower to a technology leader in selected segments. Levetiracetam (左乙拉西坦), an anti-epileptic API, has been supplied to markets in China, Europe, and the United States. Clinically, Levetiracetam is used as monotherapy or in combination with other medications to control certain seizure types, including partial-onset seizures and other seizure syndromes in specified patient populations.

Medical devices

We conduct our medical device business primarily through our subsidiary, Shenzhen Beacon. Our medical device product offering focuses on medical display and human–machine interface solutions for hospital clinical and diagnostic scenarios. Our medical device products principally include six major categories: (i) clinical displays, (ii) diagnostic displays, (iii) consultation display centres, (iv) endoscopic surgical displays, (v) ultrasound displays, and (vi) human–machine interfaces.

In addition to standard products, we provide customised system solutions tailored to customer requirements. These solutions include, among others, intelligent image reading and consultation centre solutions, digital operating room imaging chain solutions, DSA operating room imaging solutions, and customised solutions for imaging transmission, management and display.

During the Track Record Period, revenue from our medical device business amounted to RMB637.2 million, RMB687.2 million, RMB544.3 million and RMB569.0 million for the year ended December 31, 2023, the year ended December 31, 2024, and the ten months ended October 31, 2024 and 2025, respectively, representing 15.9%, 16.5%, 15.8% and 17.0% of our total revenue for the corresponding periods, respectively.

COLLABORATION AND LICENSING ARRANGEMENTS

We use a partnership-enabled model to improve execution and accelerate progress across research, clinical development, regulatory and commercialization. We engage Independent Third Parties on a fee-for-service basis, including research institutes for commissioned R&D, CROs for clinical operations and pharmacovigilance support, clinical trial institutions and investigators for specific studies (including bioequivalence studies), and specialized vendors for clinical data management and biostatistical analysis. In parallel, we selectively enter into licensing arrangements to strengthen our portfolio and secure necessary intellectual property rights and market access in our target markets.

Our approach is guided by a disciplined set of principles: we retain overall program ownership and sponsor responsibility while outsourcing discrete workstreams where specialized capabilities are required; we seek to consolidate and protect IP, with data, results and service-generated IP generally assigned to us and subject to confidentiality and non-publication restrictions; and our clinical development agreements are structured to meet regulatory-grade standards and support audits and inspections. Where licensing or asset acquisition payments apply, they are typically milestone-based and, where customary, may include royalties, designed to align cash outflows with value creation and include customary termination and compliance provisions.

We hold global development and commercialization rights for Dimdazenil, and have entered into a territory-specific licensing arrangement granting commercialization rights for Dimdazenil in the Philippines to an Independent Third Party. Our Cariprazine is supported by an exclusive patent license for Chinese mainland obtained from an overseas patent owner, including licensing arrangements relating to relevant patented forms and/or solid-state (crystal) forms, on an exclusive basis within the licensed territory, subject to customary restrictions and termination provisions.

RESEARCH AND DEVELOPMENT

Research and development is the fundamental pillar of our business and is critical to our ongoing innovation-driven transformation, long-term growth and competitiveness in the pharmaceutical industry. We conduct our principal pharmaceutical R&D activities through our in-house R&D centers located in Xinchang, Hangzhou and Shanghai, and we maintain a dedicated R&D organization that covers the full value chain from innovative drug discovery to registration.

Our in-house R&D capabilities include (i) pre-clinical medicinal chemistry, (ii) biology and pharmacology evaluation, (iii) clinical development and medical affairs, (iv) CMC and pharmaceutical development and (v) supporting functions such as regulatory affairs, clinical operations, biostatistics, data management, intellectual property and project management. We focus our R&D primarily on central nervous system and cardiovascular diseases, and selected gastrointestinal indications. Our R&D activities cover small-molecule discovery for central nervous system and cardiovascular indications, generic and complex formulation development (including solid oral and injectable products), traditional Chinese medicine and complex preparation development, and process development for key intermediates and active pharmaceutical ingredients. These capabilities support progression from discovery and pre-clinical evaluation through clinical development, CMC activities and registration.

Our R&D Capabilities

Our R&D Facilities

We operate three R&D centers in the PRC: (i) Shanghai, which focuses on innovative drug discovery and pre-clinical research and houses our clinical development and medical teams; (ii) Hangzhou, which focuses on chemical synthesis and process R&D, including route selection and optimization, process scale-up support and technical support for key intermediates and active pharmaceutical ingredients; and (iii) Xinchang, Zhejiang Province, which focuses on CMC and pharmaceutical development, including drug substance and drug product development, formulation and process development, quality research, and documentation for registration and technology transfer.

Through this coordinated R&D set-up, we are able to manage our drug development activities in an integrated, efficient and well-controlled manner, aligned with our strategic focus on central nervous system and cardiovascular diseases, while selectively advancing opportunities in gastrointestinal and other therapeutic areas where we have established clinical and commercial expertise.

Our R&D Team

Our R&D team includes personnel across organic chemistry, fine chemicals, pharmaceutical sciences, drug formulation, engineering, biotechnology, TCM manufacturing, and medical device R&D. As of the Latest Practicable Date, we had 647 R&D personnel, representing approximately 17.0% of our total workforce, of whom more than 170 held a master's or doctoral degree.

Our R&D and technical functions are supported by a group of experienced professionals across our research institutes and business segments.

Dr. Sun Chang'an (孫長安) has over 20 years of experience in new drug research and development and R&D management. Prior to joining the Group, Dr. Sun worked at Hansoh Pharmaceutical, where he organized and conducted multiple clinical studies and supported the domestic launch of Category 1 innovative drugs across multiple therapeutic areas. Dr. Sun is currently the Executive Deputy Dean of the Group's Shanghai Research Institute and is primarily responsible for establishing the Group's end-to-end innovative drug R&D capabilities from target discovery to preclinical research, building a cross-disciplinary R&D talent pipeline and strengthening the Group's industry-academia-research collaboration network. Dr. Sun has received, among other recognitions, the Second Class of the State Science and Technology Award) and has been recognized as a Jiangsu Provincial Science and Technology Entrepreneur.

Dr. Chen Lei, obtained a doctoral degree from the Shanghai Institute of Organic Chemistry of the Chinese Academy of Sciences and completed postdoctoral training at The University of Iowa College of Pharmacy. Prior to joining our Group, Dr. Chen worked at Hengrui Pharmaceuticals and accumulated extensive experience in full-cycle drug research and development and team management across multiple therapeutic areas, including respiratory, autoimmune, oncology and CNS. Dr. Chen is currently the Deputy Dean of the Group's Shanghai Research Institute and is primarily responsible for leading the preclinical R&D of the Group's innovative drug programs in cardiocerebrovascular and neuropsychiatric indications. Dr. Chen has established standardized research workflows and quality control systems, and focuses on enhancing project execution efficiency and developing specialist R&D teams to support the Group's R&D strategy.

Dr. Wang Jingjing obtained a doctoral degree from Shanghai Jiao Tong University School of Medicine and has over 15 years of research experience in the CNS field. Dr. Wang has participated in major research programs, including projects under the National Basic Research Program of China and the Shanghai Major Science and Technology Project for New Drug Creation. Dr. Wang has also served as principal investigator for and completed a number of competitively funded projects, including a Young Researcher Fund project of the Jiangsu Industrial Technology Research Institute and a first-class funded project of the China Postdoctoral Science Foundation, and received the Second Class of the Chinese Medical Association Science and Technology Award in 2021. Dr. Wang is currently the Deputy Director of the Group's Non-clinical Evaluation Department and is primarily responsible for establishing and implementing the Group's non-clinical evaluation framework. Dr. Wang has led multiple innovative drug candidates through IND-enabling work and key preclinical development milestones and has completed multiple non-clinical studies, supporting the transition from non-clinical to clinical development by providing robust and reliable data packages.

Mr. Xu Bin graduated from Tsinghua University with a major in radio engineering and has extensive experience in the design and development of display products. Mr. Xu was accredited as a Senior Engineer by the former Ministry of Electronics Industry. He has led the R&D of medical display products used in high-end medical equipment for several international companies, and has been granted 21 invention patents. Mr. Xu was also awarded the Second Prize of the Shenzhen Science and Technology Progress Award. Mr. Xu currently oversees product development and technical management at Shenzhen Beacon and has led the development of multiple medical display products with advanced technical specifications.

We manage R&D through centralized, project-oriented governance, where cross-functional teams evaluate, prioritize and progress projects through stage-gated reviews from early research to clinical development, led by designated project leaders coordinating execution and resources across key functions.

Collaboration with Third Parties

We collaborate with external research institutions, universities, clinical trial institutions and other service providers to support R&D activities that require specialized expertise, qualifications, facilities or additional execution capacity. Consistent with industry practice, we may engage CROs, SMOs and external laboratories for specific pre-clinical and clinical functions, while our internal teams remain responsible for core activities and retain overall control and oversight of the relevant projects, including project design, overall development strategy, key decision-making, quality management and regulatory coordination. For clinical trials, our internal medical and clinical development teams formulate trial protocols, select trial sites and oversee trial conduct, quality and timelines. Clinical trial activities at each site are led by principal investigators who are affiliated with the relevant trial institutions. In accordance with applicable laws and regulations, we enter into clinical trial cooperation agreements and settle trial-related fees and expenses with the relevant trial institutions, rather than individual PIs, except that we may obtain confidentiality and other compliance undertakings from relevant personnel where necessary.

MANUFACTURING

Manufacturing Process

We operate manufacturing for drugs, APIs and medical devices primarily in-house through our production bases and manufacturing subsidiaries, supported by standard operating procedures and internal controls covering production planning, raw materials management, in-process controls, equipment calibration and maintenance, deviation handling and change management, and we apply product-specific production processes aligned with the applicable regulatory requirements for each category.

Drugs

Our generic drugs and innovative drugs are typically manufactured through blending and granulation of APIs and excipients to form uniform granules, followed by tableting or capsule filling, coating for certain products where specific release or protection characteristics are required, primary packaging (such as blister packaging or bottling) to preserve product stability and integrity, and secondary packaging into cartons and outer cases for storage and distribution; for traditional Chinese medicine products, manufacturing processes vary by dosage form and product characteristics and may include extraction, concentration, purification, blending and packaging.

Active Pharmaceutical Ingredients

Most of the APIs used in our generic drugs and innovative drugs are produced in-house through chemical synthesis, with processes varying by product and typically involving route selection and process design, execution of multi-step reactions under controlled conditions with in-process testing, work-up and purification (such as filtration, extraction and crystallization) to control impurities, drying and milling/sieving to achieve specified moisture levels and particle size distribution, and packaging under controlled conditions followed by release upon completion of required quality testing.

Medical Devices

We conduct our medical device products manufacturing primarily through our facilities in Shenzhen, Hangzhou and Shenyang. These facilities provide an integrated manufacturing set-up for medical display products, including production and assembly areas, testing and calibration facilities, and packaging and warehousing functions, enabling us to manage product quality, delivery schedules and supply continuity in a controlled manner.

Manufacturing Facilities

We currently operate multiple manufacturing facilities in the PRC, including pharmaceutical products manufacturing facilities in Xinchang, Zhejiang Province, active pharmaceutical ingredient manufacturing facilities in Shangyu, Zhejiang Province and Weifang, Shandong Province, TCM manufacturing facilities in Bayannur, Inner Mongolia and Shaxi, Guangdong Province, and medical device manufacturing facilities in Shenzhen, Guangdong Province and Shenyang, Liaoning Province. In addition, we also have one manufacturing facility in Korea.

We strictly carry out maintenance and repair work in compliance with applicable requirements and we replace or upgrade our production equipment when necessary to enhance productivity. During the Track Record Period and up to the Latest Practicable Date, we obtained production licenses for all of our production bases and marketing approvals for each of our marketed products. For details, see "— Licenses, Permits and Approvals." With comprehensive and advanced manufacturing system and facilities, we believe we can swiftly and seamlessly support clinical trials of our drug candidates and supply for our commercialized products.

As of the October 31, 2025, our manufacturing facilities for products occupied an aggregate site area of approximately 1,213,156 sq.m. and had an aggregate GFA of approximately 408,395 sq.m. The following table sets forth a summary of our manufacturing facilities for our major products as of the October 31, 2025.

Manufacturing Facility	Location	Site Area (sq.m.)	GFA (sq.m.)	Principal Products	Property Interest
Xinchang Base — Headquarters	Xinchang County, Zhejiang	261,677	132,810	Drugs	Owned
Xinchang Base — Daming Facility	Xinchang County, Zhejiang	148,469	48,190	Drugs	Owned
Shangyu Base	Shangyu ETDZ, Zhejiang	243,524	85,095	APIs	Owned
Weifang Base	Weifang ETDZ, Shandong	373,897	40,902	APIs	Owned
Hangzhou Base	Xiaoshan District, Hangzhou	4,038	4,038	Medical Devices	Owned
Bayannur Base — Old Plant Area	Linhe District, Inner Mongolia	47,186.2	19,328	TCM	Owned
Bayannur Base — New Facility	Bayannur ETDZ, Inner Mongolia	100,000	43,668	TCM	Owned
Shaxi Base	Shaxi Town, Zhongshan City, Guangdong	20,000	20,000	TCM	Leased
Shenzhen Base	Longhua District, Shenzhen, Guangdong	8,240	8,240	Medical Devices	Leased
Shenyang Base	Shenbei New District, Shenyang, Liaoning	4,953	4,953	Medical Devices	Leased
Korea Base	Seongnam-si, Gyeonggi-do, the Republic of Korea	1,173	1,173	Medical Devices	Leased

The following tables set forth the designed production capacity, actual production volume and utilization rates of the production lines used at these facilities, by production base, as of the dates and for the periods indicated.

	Year ended December 31,						Ten months ended October 31,		
	2023			2024			2025		
Product pipeline	Designed production capacity[1]	Actual production volume	Utilization rate (%)[2]	Designed production capacity[1]	Actual production volume	Utilization rate (%)[2]	Designed production capacity[1]	Actual production volume	Utilization rate (%)[2]
Generic drugs and Dimdazenil *(in billion tablets)*	112.8	87.3	77.4	167.8	116.2	69.2	165.0	106.1	64.3
APIs[3] *(in tonnes)*	5,125.0	3,396.0	66.3	11,125.0	5,188.7	46.6	11,125.0	5,886.4	52.9
TCM *(in thousand boxes)*	6,750.0	3,214.6	47.6	6,750.0	3,753.9	55.6	6,750.0	2,001.0	29.6
Medical devices *(in thousand units)*	25.7	15.6	60.8	25.7	19.5	76.0	26.7	17.0	63.7

Notes:

(1) Designed capacity refers to the designed annual production capacity of the relevant production line(s) in operation at the end of the period.

(2) The utilization rate refers to the actual production volume divided by designed production capacity.

(3) The production capacity, actual production volume and utilization rates of APIs include intermediates.

Our utilization rates were relatively lower and fluctuated during the Track Record Period, primarily due to changes in our product mix and our forward-looking capacity planning in support of our development strategy. As we expanded our drug portfolio, we adjusted production planning and commissioned additional capacity to support the expected scale-up.

We meticulously monitor our production capacity in real-time and dynamically make adjustments based on current conditions and future projections. We also plan to establish new production lines to meet the ever-evolving market demand for our marketed products as needed.

Supply Chain Management

We maintain a centralized supply chain management and procurement function team responsible for procurement planning, supplier selection and qualification, purchase execution and ongoing supplier management across our pharmaceutical products, APIs and, where applicable, medical device businesses. In accordance with applicable GMP and internal quality management requirements, we have established procurement policies and procedures covering supplier qualification, incoming materials control, purchasing approval workflows and periodic supplier performance assessments.

We apply supplier selection and qualification procedures requiring suppliers to hold necessary licenses and permits and to pass our assessments, and we conduct sample inspections before adding suppliers to our qualified supplier list, from which we source raw materials. We conduct periodic assessments and update the qualified supplier list, and suppliers that fail to meet our requirements may be required to rectify issues or be removed. We adopt two procurement approaches: (i) for established products with stable demand and production scale, we prepare annual tender procurement plans based on

annual material requirements and purchasing schedules (and adjust them as needed), and (ii) for new products and materials subject to significant price fluctuations or required for new drug development, we manage procurement based on demand from the production or research departments.

SALES AND MARKETING

During the Track Record Period, we generated revenue from the sales of over 60 approved drug products, including generic drugs, innovative drugs and TCM and biologics.

We primarily generate demand for our pharmaceutical products through our in-house sales and marketing team, which is responsible for academic promotion, market access and other commercialization activities, including engagement with healthcare professionals, product positioning, and channel management. According to Frost & Sullivan, we also collaborate with Independent Third Parties to enhance brand recognition, expand market coverage and improve product availability in certain regions and channels. In addition, we market and sell our APIs and medical devices through a combination of direct sales and, where appropriate, distributor arrangements, with a focus on customer coverage, sales efficiency and compliance with applicable regulatory and industry requirements.

In-House Sales

We maintain an in-house sales and marketing team, supplemented by selected distributors, with activities organized by therapeutic focus and sales channels. As of the Latest Practicable Date, our sales and marketing team comprised approximately 675 personnel, with dedicated teams responsible for prescription drugs and retail-oriented products. We also conduct overseas sales for selected products through our subsidiaries and, where appropriate, independent distributors and business partners. Our sales and marketing team is responsible for market research and planning, academic promotion, channel management, sales contract management and receivables management, and we provide regular training and maintain compliance policies and internal controls governing sales and marketing activities.

Marketing Activities

We organize, sponsor and participate in academic conferences, seminars and symposia, and conduct routine academic discussions with medical experts and other healthcare professionals, primarily in our prescription drug therapeutic areas such as CNS and cardiovascular diseases. We participate in clinical research activities and cooperate with clinical trial institutions in connection with such academic engagement. Following the commercialization of Dimdazenil, we continue academic engagement through expert networks and academic programs tailored to innovative therapies, and we carry out promotional activities through a combination of academic programs, digital initiatives, medical projects and patient management activities. For generic drugs, we refine our marketing strategies to align with applicable laws and policies and tailor strategies to different sales channels. We conduct sales and marketing activities in compliance with applicable PRC and overseas laws and regulations and maintain internal policies and controls to mitigate compliance risks, including anti-bribery and anti-improper conduct requirements for interactions with healthcare professionals and medical institutions. Our agreements with third-party service providers generally include compliance undertakings, including anti-bribery provisions. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material non-compliance by us or our Directors or senior management that resulted in

material administrative penalties or criminal liabilities in relation to commercial bribery. For further details on our internal anti-bribery controls, please see "— Risk Management and Internal Control — Internal Controls — Anti-bribery."

Sales

For our pharmaceutical products, we sell a majority of our products to distributors, who are our direct customers and, in turn, sell and deliver our products to end customers, primarily hospitals and retail pharmacies. For our medical device business, we adopt a sales model comprising predominantly direct sales, supplemented by sales through distributors in a limited number of cases. For our API business, we adopt a mixed sales model combining direct sales to customers and sales through distributors, depending on the product type, customer profile and market practice. According to Frost & Sullivan, our sales strategy is consistent with industry practice in the pharmaceutical industry. The following table sets forth a breakdown of our revenue by distribution channels for the periods indicated:

	Year ended December 31,				Ten months ended October 31,			
	2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
					(Unaudited)			
Direct sales	1,339,253	33.5	1,436,388	34.5	1,167,555	34.0	1,150,412	34.4
Distributors	2,659,582	66.5	2,722,163	65.5	2,270,833	66.0	2,193,732	65.6
Total	3,998,835	100.0	4,158,551	100.0	3,438,388	100.0	3,344,144	100.0

Distributors

We sell a portion of our pharmaceutical products through third-party distributors, who are responsible for subsequently selling and delivering such products to hospitals and retail pharmacies in accordance with the applicable distribution arrangements. We believe that, by leveraging distributors' local market coverage and logistics capabilities, our distribution model helps extend market coverage in a cost-effective manner while allowing us to maintain appropriate oversight over our distribution network and the implementation of our sales and marketing policies.

We generally enter into distribution agreements with our distributors, which typically set out, among other things, the scope of products covered, ordering and delivery arrangements, payment and settlement terms, compliance requirements (including anti-bribery and other applicable laws and regulations) and other customary terms.

Distribution Network

Our distributors include hundreds of nationally known pharmaceutical distributors with widespread sales in China. As of the Latest Practicable Date, our distribution network comprised of more than 1,900 distributors across more than 21 provinces. This extensive network and close collaboration with distributors have cultivated a dynamic, open marketing system that effectively stimulates cooperation and sales, ensuring strong sales capabilities across various regional and local markets. In 2023, 2024 and

the ten months ended October 31, 2024 and 2025, sales to our distributors amounted to approximately RMB2,659.6 million, RMB2,722.2 million, RMB2,270.8 million and RMB2,193.7 million, which accounted for 66.5%, 65.5%, 66.0% and 65.6% of our revenue from the sale of products, respectively.

To the best knowledge of our Directors, all of our distributors (other than Xinchang Xinjin Pharmaceutical Co., Ltd.) during the Track Record Period and up to the Latest Practicable Date were independent third parties; and none of our distributors transacted with us during the Track Record Period and up to the Latest Practicable Date are controlled by our former or current employees, uses our brand or name, or has received any material advance or financial assistance from us.

The following table sets forth the movement of the number of our distributors for the periods indicated below.

	Year ended December 31,		Ten months ended October 31,
	2023	2024	2025
Number of distributors at the beginning of the period	2,890	2,359	2,221
Addition of new distributors [(1)]	913	904	720
Termination of existing distributors [(2)]	1,444	1,042	972
Net increase/(decrease) in distributors	(531)	(138)	(252)
Number of distributors at the end of the period	2,359	2,221	1,969

Notes:

(1) New distributors refer to distributors who (i) had at least one transaction with us in the relevant period; and (ii) did not have any transaction with us in the immediately preceding calendar year.

(2) Terminated distributors refer to distributors who (i) did not have any transaction with us in the relevant period; and (ii) had at least one transaction with us in the immediately preceding calendar year.

In 2023, 2024 and the ten months ended October 31, 2025, the number of new distributors added was 913, 904 and 720, respectively, and the number of distributors that ceased to distribute our products was 1,444, 1,042 and 972, respectively. The number of distributors that ceased to distribute our products during the periods presented was primarily because we have been refining our distributor network so as to optimize our sales efficiency, under which certain former distributors did not meet our updated expectations and requirements regarding distribution capability, coverage and service quality.

According to Frost & Sullivan, such dynamic distributor onboarding and termination is common market practice in China's pharmaceutical distribution sector, as companies regularly adjust distributor networks to enhance coverage efficiency, channel quality and commercial execution.

During the Track Record Period and up to the Latest Practicable Date, we had no material unresolved disputes or lawsuits with terminated distributors. As of the Latest Practicable Date, we were not aware of any potential abuse or improper use of our name by distributors which could adversely affect our reputation, business operation or financial condition.

Distributor Management

Each business division within our sales and marketing function is responsible for the management of distributors for the products under its remit, including distributor selection, performance monitoring, periodic review and the identification and management of distributor-related risks. We generally select distributors based on criteria such as distribution and logistics capabilities, local market coverage and knowledge, financial stability and creditworthiness, operational scale, compliance record and service capability. Distributors are required to hold the requisite licenses and permits for pharmaceutical sales and distribution, and to comply with applicable regulatory requirements, including relevant GSP requirements and, where applicable, cold-chain storage and transportation requirements, to ensure that our products are delivered safely and in a timely manner.

We generally maintain a seller-buyer relationship with our distributors under a buy-out sale model. Under this model, we do not retain ownership of the products sold to distributors, and title to such products is transferred to the distributors upon delivery to and acceptance by them, subject to the terms of the relevant contracts and our applicable accounting policies. We enter into distribution agreements with our distributors, and individual sales contracts and/or purchase orders are generally entered into or placed on a transaction-by-transaction basis. Set forth below are the salient terms of our distribution agreement:

- ***Designated distribution area.*** Distributors are generally not allowed to sell or distribute our products outside of their designated distribution areas.

- ***Exclusivity.*** Distributors are granted the distributorship of specified certain types of products in their designated distribution areas generally on a non-exclusive basis.

- ***Return of products.*** Our distributors are required to inspect the products on delivery. Returns and exchanges are generally not allowed except for defective products.

- ***Access to information.*** We require distributors to provide us with access to information at our request.

- ***Credit terms.*** We generally grant our major distributors credit terms of 30 to 90 days, with longer terms granted to selected distributors with whom we have built a strong business and financial track record.

- ***Confidentiality.*** Both parties have non-disclosure obligations and undertake to only use each other's trade secrets and other business information to the extent necessary and not to disclose such trade secrets or other business information to any third party.

- ***Termination.*** We may terminate the distribution agreements in the event of, among others, (i) any material breach by our distributors, such as sales outside of their designated distribution areas and providing falsified sales data; or (ii) any other breach by our distributors that is not remedied within a prescribed time-period.

To enhance distribution management and reduce channel conflicts, we may implement territory/customer coverage and product scope arrangements with distributors based on the product, region and channel, including defining authorized geographic areas, designated hospitals or customer categories and permitted product scope, and restricting sales outside the authorized scope. We monitor distributors through periodic communications and performance reviews and, where appropriate, hospital and channel visits to understand inventory levels, product flows and market feedback and identify potential deviations. We conduct periodic performance and compliance evaluations and may terminate arrangements for material violations, including unauthorized cross-regional sales or other material non-compliance.

Distributors procure our products based on the market demand. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return from the distributors caused by product defects.

Two-Invoice System

For the sale of pharmaceutical products in China, we are subject to the "Two-Invoice System" policies applicable to sales to public medical institutions, under which invoices are generally issued once from manufacturers to distributors and once from distributors to medical institutions; public medical institutions are generally required to adopt the Two-Invoice System, while private medical institutions are encouraged (but not generally required) to adopt it, subject to local rules, and non-compliance may adversely affect public tendering and procurement. In our distributor agreements, we specify authorized regions and end-customer types. Where public hospitals are the end-customers, we comply with the Two-Invoice System and require distributors to sell directly to public hospitals without sub-distributors; where end-customers are pharmacies, clinics or private hospitals, we do not prohibit sub-distributors. Some of our distributors may use sub-distributors to leverage subdistributors' local expertise, expanding their market reach in certain specialized regions and broadening patient access to our products due to the typically large number and scattered distribution of pharmacies, clinics and private hospitals, which is in line with the industry norm, according to Frost & Sullivan. We have no contractual relationship with sub-distributors and rely on distributors to supervise them, including imposing penalties on distributors for sub-distributor violations, and we monitor product movements to ensure compliance with internal distribution arrangements. We maintain internal controls to monitor compliance with the Two-Invoice System and related regional requirements, including training, adjusting distribution strategies based on local implementation, and communications with distributors on product flows, and we may request periodic information on end customers and, where applicable, sub-distributor arrangements; where potential non-compliance is identified, we may take remedial actions and enforce contractual remedies, including suspension or termination (and, where contractually provided, liquidated damages) and, where appropriate, legal action.

To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, (i) we were not aware of any material violation or circumvention of applicable laws, regulations, rules or policies in relation to the "Two-Invoice System", (ii) we were not disqualified from

participating in public tendering processes in any province due to "Two-Invoice System" compliance issues, (iii) we were not subject to any material administrative fines or penalties by competent authorities in relation to the "Two-Invoice System" and (iv) we did not receive any material warning or notice from competent authorities regarding our "Two-Invoice System" compliance.

Direct Sales

Our direct sales primarily include (i) our sales of APIs, which are mainly made to pharmaceutical manufacturers and other customers that purchase APIs for downstream manufacturing, (ii) a portion of our drug sales conducted on a direct basis, primarily under a contract manufacturing model pursuant to which we manufacture drugs for certain pharmaceutical manufacturers and the products are marketed under such customers' brands, and (iii) a limited portion of our medical device sales to certain medical device manufacturers.

We generally enter into framework agreements and/or annual sales contracts with our major direct sales customers, with transaction-specific purchase orders placed from time to time. Under our direct sales arrangements, we are generally responsible for delivering products to the relevant customers in accordance with contractually agreed delivery terms. Unless otherwise agreed, we generally do not accept product returns or exchanges except for defective products or other circumstances permitted under the relevant contracts and subject to internal approval procedures. To reduce the risk of expired products being sold in the market, we may require certain major direct sales customers to periodically confirm inventory levels and near-expiry status.

Logistics Arrangement

We primarily sell our drugs to distributors. We engage qualified third-party logistics service providers for certain deliveries, warehousing and ancillary services, depending on commercial arrangements and operational needs.

As a pharmaceutical manufacturer, we are subject to applicable PRC regulatory requirements relating to product quality management, traceability and patient safety. Accordingly, we maintain internal procedures to track and monitor the distribution of our drugs to downstream customers to the extent required, with a view to mitigating product quality and compliance risks and safeguarding patient safety, including maintaining sales and delivery records (by product name/specification, batch number and destination), monitoring product flows and channel inventory through communications with distributors and, downstream customers, requiring distributor cooperation in providing information for traceability, recall management and regulatory enquiries, and maintaining escalation and response procedures for suspected quality issues, adverse event reporting and product recalls, as needed. We also require distributors and relevant logistics service providers to comply with applicable regulatory requirements and to maintain appropriate storage and transportation conditions, including maintaining sales and delivery records (by product name/specification, batch number and destination), monitoring product flows and channel inventory through periodic communications with distributors and, where appropriate, downstream customers, requiring distributor cooperation in providing information for traceability, recall management and regulatory enquiries, and maintaining escalation and response procedures for suspected quality issues, adverse event reporting and product recalls, as needed.

Under our logistics arrangements, logistics service providers are generally responsible, subject to the terms of the relevant agreements, for losses, damage or contamination attributable to their negligence or breach in the provision of logistics services. Breach by logistics service providers, including failure to meet agreed service standards, may trigger contractual remedies, including liquidated damages.

PRICING

We formulate pricing strategies for our products to balance competitiveness, market position and profitability. Our pricing reflects production costs, market potential, clinical value, and research and development expenses. This ensures our pricing maintains both operational sustainability and competitive positioning.

Regulatory and policy frameworks also play a critical role in shaping our pricing strategy in China, including NRDL, NEDL and VBP. These regulations significantly influence pharmaceutical products pricing. We actively monitor regulatory developments and adjust our pricing to comply with these policies, enhancing clinical accessibility and market expansion.

National Reimbursement Drug List (NRDL)

Participants of China's national public medical insurance programmes and, where applicable, their employers are generally required to make monthly contributions to the relevant insurance funds. Eligible participants may obtain full or partial reimbursement for drugs included in the NRDL. For details of the regulatory framework, selection criteria and adjustment procedures relating to the NRDL, see "Regulatory Overview — Laws and Regulations in Relation to New Drugs — NRDL."

As of October 31, 2025, certain of our marketed products were included in the NRDL. Inclusion in the NRDL is generally subject to a structured evaluation and review process based on prescribed criteria, which may take into account clinical value, safety and efficacy, medical necessity, budget impact and pharmacoeconomic considerations. Inclusion in the NRDL is an important driver of market access and patient affordability, as it affects reimbursement eligibility and reimbursement standards for the relevant products. However, inclusion in the NRDL, particularly for products subject to price negotiations under the NRDL adjustment mechanism, may also result in downward pricing pressure in certain provinces and channels as a result of the relevant pricing and reimbursement arrangements.

National Essential Drug List (NEDL)

The National Essential Drug List (the "**NEDL**") is formulated and issued by relevant PRC governmental authorities with the objective of promoting access to essential medicines and ensuring the availability of basic medications at affordable prices. For details of the regulatory framework, selection criteria and adjustment procedures relating to the NEDL, see "Regulatory Overview — Laws and Regulations in Relation to New Drugs — NEDL."

As of October 31, 2025, seven of our marketed products were included in the NEDL (2018 edition). Inclusion in the NEDL may support stable demand from primary medical institutions and enhance product accessibility, particularly in grassroots medical settings. However, inclusion in the NEDL may also exert downward pressure on pricing, as drugs listed in the NEDL are generally subject to enhanced policy focus on affordability and, in certain cases, pricing constraints or procurement arrangements that may reduce the prices at which such products are sold.

Centralized Tender Process and Volume-based Procurement

The centralized tender process and volume-based procurement (VBP) are two distinct but interrelated mechanisms in China's pharmaceutical procurement system, both aimed at reducing healthcare costs and increasing access to medications. The centralized tender process is a provincial or regional system used in China for public hospitals to purchase most medications at the bid prices. The procurement volume under centralized tender process is not guaranteed, and depends on hospital preferences and market demand. The VBP is a national or regional procurement mechanism that leverages large-volume government procurement to lower the prices of the selected medications. The VBP typically guarantees a large procurement volume, which encourages pharmaceutical companies to offer lower prices in exchange for assured sales.

The centralized tender process covers a broad range of drugs, whereas the VBP tends to focus on a select number of commonly used drugs, especially generic drugs. If a drug is included in VBP, its prices and sales volume to public hospitals will primarily be determined through the VBP scheme. Once a VBP cycle ends or for provinces not participating in VBP, such drugs can still be procured through the centralized tender process. If a drug does not win bids in VBP, it may still be procured through the centralized tender process, but it may experience a sharp decline in demand as public hospitals prioritize purchasing VBP-winning drugs. Out of the VBP scope, public hospitals primarily procure drugs at bid prices determined through the centralized tender process based on their needs.

Centralized Tender Process

Prices of most pharmaceutical products sold to public hospitals and public medical institutions in China are determined through competitive centralized tender processes at the provincial or municipal level, which vary by region. Pharmaceutical manufacturers, sole agents of imported drugs and marketing authorization holders may submit bids to have products listed on provincial or regional procurement platforms, through which public hospitals purchase listed products at bid prices; we submit bids for products covered by the centralized procurement program. Bid evaluation generally considers factors such as price competitiveness, product quality, clinical effectiveness and the manufacturer's qualifications, and winning bid prices are the primary determinant of the prices at which we sell to distributors, creating pricing pressure among substitute products. During the Track Record Period, we generated revenue from sales of over 60 approved drug products (including generics and traditional Chinese medicine products), a substantial portion of which were sold to distributors for onward supply to public hospitals and other medical institutions; accordingly, we actively participate in centralized tenders and consider the trade-off between price and sales volume. If we fail to win bids or price bids profitably, we may experience reduced sales, loss of market share and margin pressure in the relevant regions, which could adversely affect our financial performance. See "Risk Factors."

Volume-based Procurement (VBP)

Prices of certain pharmaceutical products in China sold to public hospitals and public medical institutions are affected by the VBP scheme. The VBP scheme aims to achieve a lower price of pharmaceuticals with mature, high-volume clinical usage and sufficient market competition through a competitive bidding process for large-volume procurement. The VBP scheme has rolled out at both national and provincial levels.

National VBP is initiated by the national government and generally applies to drugs with one originator and at least six manufactures of generic versions that pass consistency evaluation with the originator (which is required for generics to be eligible for bidding); bid-winning companies typically offer substantial price reductions in exchange for guaranteed procurement volumes across provinces and regions, which generally exerts substantial downward pricing pressure, and the total procurement volume is shared among winning bidders subject to limitations on the number of provinces each bidder may supply, so the impact on sales volume may vary depending on a drug's pre-VBP market share (for example, our product Jingnuo 京諾® Rosuvastatin Calcium Tablets participated in the first annual batch of the National VBP Program "4+7 centralized procurement"). Drugs in the same class that do not win the bidding typically lose significant market share in public hospitals, and a national VBP scheme typically lasts one to three years.

Following the completion of contract period of national VBP schemes, continuation procurement may follow at the provincial or regional level, and drugs not previously included in national schemes may expand market share by participating, and to date the national government has not initiated a new round of national VBP after the drugs enter provincial continuation procurement stage.

In addition, provincial governments also roll out VBP schemes at the provincial or regional level to complement national schemes by covering additional drugs, and similar to national VBP, provincial VBPs also exert downward pressure on drug prices with guaranteed procurement volume by public hospitals in the relevant province or region.

During the Track Record Period, a number of our products were subject to national or provincial VBP schemes. For example, our Jingnuo 京諾® Rosuvastatin Calcium Tablets was subject to the national VBP scheme. While the VBP scheme sometimes allows us to sell our products in larger volumes, it typically exerts downward pressure on the prices at which we sell our products to our distributors. To mitigate such impact, we continue to diversify our product portfolio by introducing new marketed drugs.

QUALITY CONTROL

We have implemented comprehensive quality control procedures and protocols that span the entire production lifecycle from raw material sourcing through manufacturing to the delivery of drugs. In strict compliance with applicable PRC laws and regulations, including the Pharmaceutical Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》) and the Good Manufacturing Practice for Medical Products (《藥品生產質量管理規範》), we have established a quality management system covering our drugs, APIs and TCM, which is aligned with GMP requirements.

In addition, for our medical device business, we have established quality management policies and procedures that are designed to comply with applicable PRC laws and regulations governing medical devices, and to support product quality, safety and traceability throughout manufacturing and distribution. For details of our major licenses, permits and approvals, please see "— Licenses, Permits and Approvals."

We have established a quality management structure within our pharmaceutical manufacturing operations, with dedicated quality assurance ("**QA**") and quality control ("**QC**") personnel across production sites. QA is responsible for establishing, implementing and improving the quality management system, while QC is responsible for inspection and testing of raw materials, intermediates

and finished products; other functions such as production, procurement and logistics perform their duties in accordance with established quality procedures. Each batch of our pharmaceutical products is released in accordance with applicable regulatory requirements and internal procedures, and only products meeting prescribed quality standards are distributed.

Supply Chain Quality Control

We apply a meticulous approach to material management, reflecting our commitment to maintaining consistent product quality and stable manufacturing operations throughout the production process. We have adopted a supplier management system that sets out procedures relating to supplier qualification, selection criteria, quality requirements, approval processes and audit arrangements. Our quality management personnel, together with relevant operational departments, conduct quality assessments of suppliers providing raw materials, intermediates and other key inputs.

For our API business, we apply enhanced supplier qualification and incoming inspection procedures for key raw materials, intermediates and reagents, given their potential impact on product purity, impurity profile, process stability and batch-to-batch consistency. For our medical device products, we implement supplier control procedures covering key purchased components, modules and materials. We generally require suppliers of key components to meet applicable quality standards and to provide relevant certificates, test reports and supporting documentation, as appropriate.

For key and major suppliers, quality audits may be conducted on-site or off-site in accordance with internal procedures, and suppliers that fail to meet applicable quality requirements are not approved for use. Only suppliers that have passed the relevant evaluation procedures are included in our approved supplier list, and we procure materials used in our production solely from such approved suppliers. For further details on our supply chain management, please see "— Environmental, Social and Governance Matters — Supply Chain Management".

All purchased materials are inspected upon receipt under internal procedures: QC conducts batch-based sampling inspections and issues results within prescribed timeframes, QA reviews the inspection results and related records, and materials are approved or rejected in accordance with internal authorization procedures. Approved materials are stored by category under specified conditions and managed based on shelf-life and inventory controls, with controlled procedures for issuance, use and reconciliation.

Manufacturing Quality Control

Our manufacturing activities are conducted in accordance with established production procedures, operating instructions and applicable GMP requirements. Production is carried out in line with approved process documents, with quality management personnel performing oversight and monitoring at key stages. After batch production of intermediates or pre-packaged products, production personnel perform weighing, reconciliation and related checks, complete batch and inspection records, store products in designated intermediate storage locations and submit samples to QC for testing.

For APIs, we apply in-process controls at key steps (as applicable, including reaction monitoring, impurity control, critical process parameters and purification/end-point controls) to ensure intermediates and finished APIs meet specifications; for medical devices, we apply process controls and inspection procedures to support product performance.

QC conducts sampling and testing in accordance with established procedures and issues inspection results within prescribed timeframes. Inspection results and relevant batch production and testing records are reviewed under internal procedures and submitted to QA for assessment. QA reviews inspection results, compliance with approved process requirements, batch documentation, process controls and the handling of deviations or changes, which are documented, investigated and addressed in accordance with internal procedures. Based on the review and internal authorization procedures, intermediates are approved or not approved for subsequent processing, and only approved intermediates may proceed to the next stage.

Finished Product Quality Control

Upon completion of finished products, QC conducts sampling and testing in accordance with established procedures and internal standards and issues finished product inspection results. Batch inspection records, finished product inspection results and, where applicable, environmental monitoring records are reviewed under internal procedures and submitted to QA. The production workshop reviews batch production and packaging records after manufacturing and packaging and investigates any deviations in accordance with internal deviation management procedures, and submits the relevant records (including deviation investigation records) to QA.

QA conducts a comprehensive quality review of finished products, including batch production and packaging records, inspection results, environmental monitoring records (where applicable) and records relating to deviations, out-of-specification results and changes, to confirm compliance with approved processes, registration requirements and applicable GMP standards. Based on the QA review and internal authorization procedures, finished products are approved or not approved for release, and only released products may be transferred to the warehouse for storage and distribution; the warehouse ships finished products only upon receipt of the relevant quality release documentation.

After-sales Supervision

We maintain procedures for post-marketing quality and safety management, including product complaint handling, product recall management, adverse drug reaction reporting and ongoing safety monitoring, in accordance with applicable regulatory requirements. We have internal procedures for collection, assessment, investigation and resolution of product quality complaints and, where applicable, the initiation and execution of product recalls.

For finished drug products, we monitor feedback and complaints from distributors, hospitals and other downstream channels and, where potential quality issues may affect patient safety or compliance, take actions in accordance with applicable laws and internal procedures, which may include notifying relevant parties, enhanced monitoring and initiating recalls where warranted.

For APIs and medical devices, we handle after-sales matters in accordance with customary commercial terms and applicable regulatory requirements, including receiving and addressing customer feedback and complaints and taking remedial actions such as replacement, return or repair, as applicable and subject to contract terms.

We maintain records of material after-sales issues and conduct internal reviews where necessary to identify root causes and implement improvements. We designate personnel responsible for ADR monitoring and reporting, including collecting and documenting adverse reaction information,

conducting periodic safety evaluations and preparing and submitting required safety-related reports in accordance with regulatory requirements, and we implement corrective or preventive measures where needed.

SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of chemicals, packaging materials, APIs and other ancillary materials intermediates. We select our suppliers by considering cost and their capability, quality, reputation, delivery and regulatory compliance. For details of our procurement process, please see "— Quality Control — Supply Chain Quality Control."

Purchases from our five largest suppliers in each period during the Track Record Period were RMB318.0 million, RMB372.2 million and RMB274.4 million in 2023, 2024 and the ten months ended October 31, 2025, respectively, representing approximately 16.3%, 17.0% and 17.9% of our total purchases for the corresponding periods. Purchases from our largest supplier in 2023, 2024 and the ten months ended October 31, 2025 were RMB81.2 million, RMB105.7 million and RMB82.8 million, respectively, representing approximately 4.2%, 4.8% and 5.4% of our total purchases for the corresponding periods. Our suppliers generally provide us credit terms of 30 to 45 days, and we generally settle with them by bank transfer and bank acceptance bills. The following table sets forth details of our five largest suppliers for each year/period during the Track Record Period.

Year ended December 31, 2023

Supplier	Purchase amount	Percentage of total purchase	Year of commencement of business relationship	Credit period	Payment method	Principal business activities	Type of supplier
	RMB'000						
Supplier A	81,213	4.2%	2017	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier B	68,516	3.5%	2015	45 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier C	68,115	3.5%	2016	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of packaging materials and related products.	Packaging materials supplier
Supplier D	51,121	2.6%	2007	45 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier E	49,080	2.5%	2007	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Total	318,045	16.3%	—	—	—	—	—

Year ended December 31, 2024

Supplier	Purchase amount	Percentage of total purchase	Year of commencement of business relationship	Credit period	Payment method	Principal business activities	Type of supplier
	RMB'000						
Supplier B	105,661	4.8%	2015	45 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier C	85,960	3.9%	2016	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of packaging materials and related products.	Packaging materials supplier
Supplier A	65,660	3.0%	2017	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier D	59,998	2.7%	2007	45 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier F	54,953	2.6%	2022	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of LCD screens.	Medical device component supplier
Total	372,232	17.0%	—	—	—	—	—

Ten months ended October 31, 2025

Supplier	Purchase amount	Percentage of total purchase	Year of commencement of business relationship	Credit period	Payment method	Principal business activities	Type of supplier
	RMB'000						
Supplier B	82,812	5.4%	2015	45 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier C	64,333	4.2%	2016	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of packaging materials and related products.	Packaging materials supplier
Supplier G	51,652	3.4%	2011	45 days	Bank transfer and bank acceptance bills	Manufacture and sale of chemical intermediates.	Raw materials/chemical intermediates supplier
Supplier F	39,506	2.6%	2022	30 days	Bank transfer and bank acceptance bills	Manufacture and sale of LCD screens.	Medical device component supplier
Supplier H	36,060	2.3%	2011	45 days	Bank transfer and bank acceptance bills	Manufacture and sale of LCD screens.	Medical device component supplier
Total	274,363	17.9%	—	—	—	—	—

Note:

(1) Supplier C is a connected party of our Group. We have conducted transactions with Supplier C in the ordinary course of business on normal commercial terms.

CUSTOMERS

In 2023, 2024 and the ten months ended October 31, 2025, our revenue was primarily derived from the sales of our drugs, APIs and medical devices. We sell a substantial portion of our products to third-party distributors, who are our direct customers and are responsible for subsequently selling and delivering our products to hospitals, other medical institutions and pharmacies. We generally grant credit terms of 30 to 90 days (or spot payment) to our major customers, and they generally settle with us by bank transfer and bank acceptance bills

Our revenue from our five largest customers in each period during the Track Record Period, calculated on the group level with entities controlled by the same group combined together, were RMB1,163.2 million, RMB1,394.7 million and RMB1,119.9 million in 2023, 2024 and the ten months ended October 31, 2025, respectively, representing approximately 29.1%, 33.5% and 33.5% of our total revenue for the corresponding periods. Our revenue from our largest customer in each period during the Track Record Period were RMB606.3 million, RMB661.9 million and RMB525.3 million, respectively,

representing approximately 15.2%, 15.9% and 15.7% of our total revenue for the corresponding periods. The following table sets forth details of our five largest customers for each year/period during the Track Record Period.

Year ended December 31, 2023

Customers	Revenue amount	Percentage of total revenue	Credit term	Principal business activities/location	Payment method	Year of commencement of business relationship
	(RMB'000)					
Customer A	606,280	15.2%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Customer B	187,990	4.7%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2017
Customer C	127,736	3.2%	30–60 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2010
Customer D	122,434	3.1%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Customer E	118,796	2.9%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Total	1,163,236	29.1%	—	—	—	—

Year ended December 31, 2024

Customers	Revenue amount	Percentage of total revenue	Credit term	Principal business activities/location	Payment method	Year of commencement of business relationship
	(RMB'000)					
Customer A	661,931	15.9%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Customer D	240,312	5.8%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Customer B	207,469	5.0%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales..	Bank transfer and bank acceptance bills	2017
Customer F	147,785	3.6%	90 days	UK, wholesale, distribution and manufacturing of pharmaceutical products	Bank transfer	2020
Customer G	137,222	3.2%	30–60 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2017
Total	1,394,719	33.5%	—	—	—	—

Ten months ended October 31, 2025

Customers	Revenue amount	Percentage of total revenue	Credit term	Principal business activities/location	Payment method	Year of commencement of business relationship
	(RMB'000)					
Customer A	525,277	15.7%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Customer B	163,033	4.9%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2017
Customer F	160,679	4.8%	90 days	UK, wholesale, distribution and manufacturing of pharmaceutical products	Bank transfer	2020
Customer D	149,047	4.5%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Customer E	121,893	3.6%	30–90 days, spot payment	PRC, Wholesale & retail of pharmaceuticals, domestic and foreign trade order fulfillment, and one-stop services covering procurement, warehousing, distribution and channel sales.	Bank transfer and bank acceptance bills	2007
Total	1,119,929	33.5%	—	—	—	—

To the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any of our shareholders holding more than 5% of our issued [REDACTED] had any interests in any of our five largest customers in each year during the Track Record Period.

THIRD PARTY PAYMENT ARRANGEMENT

Background

Historically, certain of our customers (individually or collectively, the "**Relevant Customers**") have, settled amounts due to our Group through bank accounts of third parties payers (such payers, the "**Third-Party Payers**", and such arrangements, the "**Third-Party Arrangement(s)**").

The Third-Party Payment Arrangement(s) primarily include settlement by independent third parties of the Relevant Customers. In 2023, 2024 and the ten months ended October 31, 2025, a total number of 49, 49 and 43 Relevant Customers, respectively, utilized the Third-Party Payment Arrangement(s) to settle payments to us. During the same periods, the aggregate amounts received from Third-Party Payers were RMB19.6 million, RMB25.9 million and RMB25.9 million, respectively, representing approximately 0.5%, 0.6% and 0.8% of our revenue for the corresponding periods, respectively.

During the Track Record Period and up to the Latest Practicable Date, we did not initiate any Third-Party Payment Arrangements and only accepted Third-Party Payments made by Third-Party Payers at the request and instruction of the Relevant Customers. In addition, during the Track Record Period and up to the Latest Practicable Date, we did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the Third-Party Payers to facilitate or encourage the Third-Party Payment Arrangements.

As advised by our PRC Legal Advisor: (i) during the Track Record Period, the Third-Party Payment Arrangements of the Group did not contravene mandatory provisions of applicable PRC laws and regulations; (ii) during the Track Record Period, the risk of the Group being required under PRC laws and regulations to refund funds to the Relevant Customers and/or their designated Third-Party Payers solely as a result of the Group's receipt of payments pursuant to the Third-Party Payment Arrangements is low; (iii) the Third-Party Payment Arrangements had genuine and lawful commercial substance, and the risk of the Group being determined to constitute the crime of money laundering under PRC laws in connection with the Third-Party Payment Arrangements is low; and (iv) during the Track Record Period, the Group did not have any non-compliance in the local financial regulatory domain or the public security domain, we were not found to have participated in any money laundering activities, potentially money laundering-related activities or any related investigations, and we are not aware of any Relevant Customer or Third-Party Payer being subject to any administrative investigation or penalty, or any criminal investigation or penalty, as a result of the Third-Party Payment Arrangements. Based on the foregoing analysis, our PRC Legal Advisor is of the view that the risk of money laundering in relation to our business operations and the Third-Party Payment Arrangement(s) is low. Considering that our revenues generated from these Third-Party Payment Arrangements as a percentage of our total revenues was immaterial, our Directors confirm that the cessation of the Third-Party Payment Arrangements does not have a material adverse impact on our business, financial conditions or results of operations.

Reasons for Third-Party Payment Arrangements

The main reasons that there exists Third-Party Payment Arrangement in our business are as follows:

- in most cases, due to settlement constraints associated with the Russia-Ukraine conflict, certain end customers experienced practical difficulties in remitting payments directly to us through ordinary settlement channels, and therefore the Relevant Customers designated independent third parties to remit payments on their behalf; and

- in a smaller number of cases, for administrative convenience, including circumstances where appointed agents or other designated third parties (including entities within the same group) settled payments on behalf of the Relevant Customers to facilitate treasury management and improve settlement efficiency.

According the Frost & Sullivan, it is a common commercial practice for local brands in pharmaceutical industry to settle payments through third-party payors.

Enhanced Internal Control Measures

In January 2026, we notified all relevant Third-Party Payers that we had ceased accepting Third-Party Payment Arrangements. As of the Latest Practicable Date, all amounts relating to the historical Third-Party Payment Arrangements had been recovered or settled. Our Directors confirm that, prior to [REDACTED], all matters relating to Third-Party Payment Arrangements will be resolved and such arrangements will be fully discontinued. We seek to require the relevant Third-Party Payers to enter into tripartite agreements with us and the Relevant Customers and/or to provide written authorizations or undertakings acknowledging and authorizing the relevant Third-Party Payment Arrangements.

To safeguard our Group's interests against risks associated with Third-Party Payment Arrangements, we have implemented enhanced internal control measures, including (i) ceasing acceptance of any new Third-Party Payment Arrangements since January 2026, such that all new orders placed on or after that date are expected to be settled directly from the Relevant Customers own bank accounts, (ii) issuing internal notices and conducting staff training to reinforce identification requirements and the prohibition on accepting Third-Party Payment Arrangements, and (iii) maintaining a receipt-settlement management ledger to record key payment information (including customer and transaction details, payment date and amount, payment method and payer information) to enhance traceability and facilitate periodic review.

BUSINESS ACTIVITIES WITH CUSTOMERS IN THE RELEVANT REGIONS

Certain countries or organizations, such as the U.S., the European Union, the United Kingdom, the United Nations, Canada and Australia, maintain economic sanctions and trade restrictions targeting certain countries or regions, or industry sectors, companies or individuals within such countries or regions.

During the Track Record Period, we sold our products directly, or indirectly through distributors, to our customers globally. Based on our review on the location of our customers, we have identified customers located in Belarus, the Democratic Republic of Congo, Ethiopia, Iraq, Lebanon, Myanmar, Russia, Somalia, the United Arab Emirates, and Venezuela (collectively, the "**Relevant Regions**"). Products we sold to the Relevant Regions were mainly generic drugs, API and medical devices. We believe our sales to the Relevant Regions should not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities. This is because our sales to the Relevant Regions would have been authorized by the applicable U.S. general licenses authorizing certain transactions related to medicine and medical devices in various countries and regions. Our global sales should not otherwise give rise to material risks under applicable International Sanctions, including those administered by the European Union, the United Kingdom, Australia and Canada, which would unlikely prima facie apply to our business activities due to a lack of sufficient nexus.

Moreover, some of our medical device products incorporate certain U.S.-origin electronics classified as EAR99, and their manufacturing process also utilize certain U.S.-origin software. That said, we believe our medical device products should not give rise to material risks under U.S. export controls. This is because our products sold worldwide (including to the Relevant Regions) do not incorporate more than a de minimis level of controlled U.S. items, nor are they subject to the EAR by virtue of being foreign direct products of controlled U.S. technologies or software.

In light of the above, our Directors are of the view that the International Sanctions and related trade restrictions should not have any material impact on our business and financial performance.

INTRA-GROUP TRANSACTIONS

During the Track Record Period, we engaged in intra-group transactions within our Group. Our intra-group transactions and arrangements between our subsidiary in Korea and Hong Kong and other members of our Group primarily consisted of transfers of ownership of tangible assets (including finished goods, semi-finished goods, raw materials and certain fixed assets).

We assessed the rationality of the foregoing transactions by benchmarking them against comparable independent companies. We found that, the operating margins obtained by our subsidiary in Korea and Hong Kong were within the interquartile range of those earned by the comparable independent companies. Our Directors are of the view that our intra-group transactions during the Track Record Period were consistent with the arm's length principle, and therefore no transfer pricing adjustment has been made.

COMPETITION

We operate in a highly competitive industry. While we believe that our drug candidates, technology platforms and management team provide us with significant competitive advantages, we face potential competition from many others who are working to develop therapies targeting the same indications. These include multinational specialty pharmaceutical companies, academic institutions, government agencies and research institutions. Any drug candidates that we successfully develop and commercialize will compete with both existing drugs and any new drugs that may become available in the future.

We believe that the primary competitive factors in our markets include the ability to identify and prioritize drug development opportunities based on clinical needs and disease understanding, the efficiency and robustness of small-molecule screening, design and development, the efficacy and safety profiles of drug candidates, manufacturing capabilities and cost efficiency supported by integrated API and drugs production, and the execution capability of commercialization across hospital and retail channels.

We believe our continued success will depend on our following capabilities: the capability to develop innovative products and advanced technologies; the capability to apply technologies to all production lines; the capability to develop an extensive product portfolio; the capability to maintain a highly efficient operational model; the capability to attract, retain and cultivate talent; the capability to maintain high quality standards; the capability to obtain and maintain regulatory approvals; and the capability to effectively market and promote products.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We have established an ESG governance structure to ensure that our ESG governance is aligned with our business strategy and that ESG management is integrated into our business operations and decision-making processes.

Our Board assumes overall responsibility for ESG matters and participates in the formulation of our ESG management policies, strategies, priorities and targets. Our Board comprises directors with diverse backgrounds and possesses the appropriate skills, experience, knowledge and perspectives required to oversee our Group's ESG matters. To enhance the oversight of our ESG performance, related matters and potential risks, the Board convenes meetings at least annually to review the materiality of ESG matters, assess ESG-related risks and opportunities, and evaluate performance against our ESG-related targets. The Board is also responsible for ensuring the effectiveness of our risk management and internal control systems and approving the disclosures to be included in our ESG report.

Environmental Matters

We are committed to the principles of "energy conservation and environmental protection". We have introduced advanced equipment and adopted scientific management experience and management systems, with a view to embedding energy-saving and consumption-reduction measures throughout our production and operational processes, and contributing to the development of a circular economy and green economy. We also seek to integrate environmental sustainability into our business operations and to embed green development across the entire lifecycle of our products, thereby advancing our transition towards greener operations.

Wastewater Discharge

We have implemented wastewater treatment processes and facilities. Our facilities have established rainwater drainage networks, sewage pipelines, cooling water recycling pipeline networks and firefighting water networks, and implement separation of clean and contaminated streams and treatment by category, which enables (i) separation of rainwater and sewage drainage, (ii) separation among different sewage streams and (iii) recycling and reuse of cooling water. Production workshops, wastewater pipelines, material storage pipelines and areas susceptible to contamination are designed to meet relevant anti-corrosion and anti-leakage/anti-seepage requirements. For wastewater characteristics that may affect compliant discharge and subsequent biochemical treatment (such as heavy metals, high ammonia nitrogen, high phosphorus, high salinity, high toxicity, high temperature, or high-concentration and difficult-to-degrade components), we have corresponding pre-treatment facilities, and we conduct ongoing monitoring of pollutant discharge conditions.

Set out below is our wastewater discharge data for the Track Record Period (excluding our overseas subsidiaries):

	Year ended December 31,		Ten months ended October 31,
	2023	**2024**	**2025**
Wastewater discharge compliance rate [(1)] *(%)*	100.0	100.0	100.0
Pollutant discharge in wastewater *(tons)*	148.7	155.8	100.4

Note:

(1) The wastewater discharge compliance rate is a key environmental statistical indicator used to assess an industrial enterprise's compliance with wastewater treatment requirements. It is calculated as the percentage of compliant wastewater discharge volume over total wastewater discharge volume.

Waste Management

Solid waste from our operations primarily includes discarded inner and outer packaging materials, sludge, domestic waste and waste pharmaceuticals, among which discarded inner packaging materials and waste pharmaceuticals are classified as hazardous waste. We set up temporary hazardous waste storage areas in accordance with regulatory requirements for classified packaging and segregated storage, and engage qualified third-party service providers for lawful disposal. We have implemented a hazardous waste management system, including (i) dedicated temporary storage areas with identification signs, labels and markings, (ii) classified packaging and segregated storage, (iii) designated trained personnel, (iv) record-keeping ledgers and documentation, and (v) ongoing inspection and maintenance. Subject to applicable laws, regulations and technical standards, we also implement technical and administrative measures to reduce hazardous waste generation at source.

Energy Consumption

We have obtained ISO 50001:2018 Energy Management System certification and have developed relevant internal policies and manuals, including the Energy Management System Manual. In 2025, we revised equipment-related economic operation procedures (including for air compressors, chillers and water production systems) and implemented standardized management practices for high energy-consuming equipment at our utilities workshop, including economic operation measures and unified parameter settings. We implement energy-saving measures, including internal communications and training on energy conservation and emission reduction, office digitalization tools (such as ERP and Tencent Meeting) and paper reuse, green commuting and company shuttle buses, and planting greenery and trees.

Set out below is our energy usage data for the Track Record Period (excluding our overseas subsidiaries):

	Year ended December 31,		Ten months ended October 31,
	2023	2024	2025
Electricity consumption *(MWh)*	73,533.5	90,308.4	82,492.2

Water Resources Use

We have established a water resource management system and conducted water balance testing, and have been recognized as a "Zhejiang Provincial Water Saving Benchmark Enterprise". We comply with relevant PRC laws and regulations (including the Water Law of the PRC, the Metrology Law of the PRC, and the Energy Conservation Law of the PRC) and relevant policy guidance (including the Outline of China's Water Conservation Technology Policy and the Opinions on Further Strengthening Industrial Water Conservation). We have established a water conservation leading group and internal management policies covering job responsibility mechanisms, periodic meetings, planned water use management, incentives and penalties, inspection and maintenance of water-use equipment, annual water-saving plans and metering management. Our water conservation office assesses implementation, and we have established a digital platform to monitor water intake and usage. We promote water conservation awareness through notices at public water points and internal boards, periodic training and employee activities.

Set out below is our water resources and wastewater discharge data for the Track Record Period (excluding our overseas subsidiaries):

	Year ended December 31,		Ten months ended October 31,
	2023	2024	2025
Water consumption *(tons)*	899,950.0	1,037,268.0	962,869.0

Climate Change

We consider climate change as a material ESG topic and have included climate change in the Group's risk management mechanism and risk inventory. The Board is responsible for identifying, assessing and managing material climate-related risks and opportunities, guiding the formulation and enhancement of climate-related strategies, and overseeing implementation; senior management is responsible for disclosing the results of climate-related risk/opportunity identification, assessing potential business impacts and formulating development plans relating to green production and green operations. Subsidiaries and business units benchmark industry practices and, taking into account operational realities, design climate risk response measures, conduct baseline identification and assessment of climate risks and carry out carbon emissions accounting. Our internal audit function conducts enterprise risk management annually, we prioritize risks based on likelihood and severity, and we may update mitigation and adaptation initiatives as indicators and assessment tools evolve.

Set out below is a summary of the principal climate-related risks and opportunities identified by us, together with our corresponding mitigation measures.

Risk Type	Risk Description	Mitigation Measures
Physical Risks	More frequent and severe extreme weather events (e.g., heatwaves and heavy rainfall) may increase the risk of power shortages, supply chain disruptions and operational interruptions, and may adversely affect workplace safety. These factors could reduce revenue and increase repair and remediation costs.	We maintain emergency response and business continuity plans and procure insurance coverage for our employees and assets. We also seek to enhance preparedness through internal communication and, where necessary, source from alternative suppliers. We will identify and monitor material physical risks and implement preventive measures on a timely basis.
Transition Risks	Evolving climate-related laws, regulations and disclosure requirements (including those applicable to listed companies) may increase compliance costs and capital expenditure and could expose us to higher regulatory, litigation and reputational risks in the event of non-compliance.	We monitor climate-related regulatory developments and emerging trends and keep senior management informed to support timely responses. We will continue to review the effectiveness of our climate-related measures and enhance our resilience to transition risks.
Opportunities	Rising regulatory focus and market expectations on sustainability may increase demand for greener and lower-carbon practices across pharmaceutical R&D, manufacturing and supply chains.	We plan to incorporate climate considerations into our strategy and operations, including energy-efficiency and emission-reduction initiatives, green design principles where applicable, supply chain risk assessment and engagement, and exploration of appropriate green financing options.

Metrics and Targets

We have assessed our environmental performance in relation to greenhouse gas (GHG) emissions to quantify our management of environmental and social risks. Our GHG emissions include Scope 1 and Scope 2 emissions. Scope 1 refers to direct emissions from fuel combustion by vehicles and Scope 2 refers to indirect emissions from purchased electricity.

Set out below is our greenhouse gas emissions data for the Track Record Period (excluding our overseas subsidiaries):

	Year ended December 31,		Ten months ended October 31,
	2023	2024	2025
Scope 1 greenhouse gas emissions *(tons of CO_2e)*	611.1	630.7	888.7
Scope 2 greenhouse gas emissions *(tons of CO_2e)*	93,809.0	90,490.5	91,583.3

Social Matters

We place strong emphasis on the contributions and dedication of our employees to the sustainable development of our business. We have established employee management policies covering recruitment, compensation, promotion, working hours, rest periods, remuneration, diversity and equal opportunities. As an equal opportunity employer, we are committed to fostering a diverse and inclusive workplace and maintaining a harassment-free and non-discriminatory environment. We strictly comply with relevant PRC laws and regulations, including the Labour Law of the PRC and the Labour Contract Law of the PRC.

During recruitment, we adhere to the principle of non-discrimination based on ethnicity, race, social class, gender, region or nationality, and we respect employees' freedom of religious belief. We respect the dietary and cultural practices of ethnic minority employees and support the healthy development of female employees. We uphold the principles of openness, fairness and impartiality, and recognize and promote the positive value of diversity. We strictly prohibit discrimination or harassment based on gender, race, skin color, religion, belief, age, ethnicity, nationality, marital status, parental status, pregnancy, disability, sexual orientation or any other personal characteristic or condition. From job requirements to interviews, we prohibit discriminatory language or conduct throughout the recruitment process.

Health and Safety

We adhere to a talent philosophy of "creating value together and growing together", treat safe production as a core task, and strictly implement safety arrangements at all levels. We comply with the Work Safety Law of the PRC and other applicable regulations relating to hazard inspections and the management of hazardous chemicals, with a view to safeguarding employee health and safety. We have established equipment operation procedures to mitigate site safety incidents. Employees are required to

complete and pass three levels of safety training before commencing work, and those who fail must undergo supplementary training until they pass. We display occupational hazard warning signs in the workplace, provide labour protection supplies free of charge, and require proper use. We conduct regular testing of occupational hazard workplaces, issue testing/evaluation reports, disclose relevant information to employees and complete required filings. Employees engaging in relevant work must be certified. We conduct occupational health examinations before, during and after employment, establish health records and track employee health status.

Development and Training

We have established a structured "Jingxin" training system, with key initiatives including:

- Three-tier training framework: covering (i) group/functional line level (Tier 1), (ii) business division/subsidiary level (Tier 2), and (iii) department level (Tier 3), achieving full coverage and tiered management.

- Structured curriculum system: covering new hire onboarding, management development, general competencies and professional capability enhancement, with a clear and comprehensive course catalogue.

- Diversified learning platforms: providing digital learning resources through the Jingxin Business School online platform and the KMS platform; and delivering tailored programmes for different employee groups through initiatives such as "Jingxin Lecture Series", "Jingxin Eagle Programme" and "Elite Eagle Programme".

Supply Chain Management

We have established supplier management policies and procedures. When onboarding new suppliers, we conduct comprehensive assessments of factors including supply assurance, quality assurance and corporate social responsibility assurance. We have developed questionnaires and assessment forms tailored to different categories of suppliers, such as due diligence forms, site inspection forms, CSR assessment forms and audit forms, and implement processes including documentation review, sample testing and regulatory filing/recording with the relevant drug regulatory authority. Prior to onboarding, we enter into agreements with suppliers, including a supply agreement, quality agreement and integrity agreement.

We conduct annual performance evaluations of qualified suppliers based on quality, delivery, service and CSR factors. We freeze or eliminate suppliers with low scores and provide incentives to suppliers with high scores. We have also established procurement risk management policies to manage risks across multiple supply chain dimensions, including supplier performance risk and risks relating to safety and environmental protection, employee welfare, intellectual property, business compliance, antitrust, and sub-supplier management.

Product Responsibility

We comply with relevant PRC laws and regulations and provide pre-sale, in-sale and after-sale support. We track deliveries, understand customers' production and sales status and address sales-related issues. Where damage or shortages occur during transportation, our sales management department coordinates with logistics service providers for claims handling. For product returns, dedicated personnel receive and record returns, conduct preliminary acceptance and quality assessments based on product attributes, storage requirements, current condition, history and time between shipment and return; where returns may relate to production quality issues, investigations are conducted, and our quality management department provides handling recommendations based on investigation results and inspection reports (if any), and products may be repackaged and resold, re-shipped or destroyed, as appropriate. We maintain a medical consultation channel for pharmaceuticals, under which the pharmaceuticals sales management department collects and responds to product quality and medical-related enquiries, while ADR information is handled by designated pharmacovigilance personnel.

We have customer complaint management procedures and dedicated channels (email and hotline), and all complaints are registered, reviewed and analysed, with investigations conducted for complaints suspected to relate to product quality and records maintained.

Intellectual Property

We attach great importance to the protection of intellectual property and strictly comply with applicable laws and regulations. We seek to enhance the management of intellectual property, including patents, copyrights and trademarks, to safeguard our lawful rights and interests while fully respecting the rights of others.

Data Privacy and Information Security

We comply with CSRC and Shenzhen Stock Exchange information disclosure requirements and perform disclosure obligations to ensure disclosed information is true, accurate, timely, complete and fair. We have implemented policies including the Email Usage Management Policy, Network Access Management Policy and Data Centre Computer Room Management Policy, established a data management system and obtained ISO 27001 certification. Employees are subject to background checks prior to onboarding and are required to sign confidentiality undertakings and agreements on ownership of copyrights and technical achievements.

Anti-corruption

We comply with relevant PRC laws and regulations (including the Tendering and Bidding Law of the PRC and the Anti-Unfair Competition Law of the PRC) and maintain policies to prevent corruption, unfair competition and commercial bribery. We prohibit practices such as price collusion, bid manipulation and predatory pricing, and reinforce compliance awareness through internal policies and training. We have reporting channels, including email, hotline and online platform, maintain confidentiality of whistleblowers and follow investigation procedures for valid reports in accordance with principles of impartiality, fairness and legality.

EMPLOYEES

As of Latest Practicable Date, we had a total of 3,727 full-time employees in China. The following table sets forth a breakdown of our employees by function as of Latest Practicable Date:

Function	Number
Production	1,348
Sales and Marketing	675
Technology	920
Finance	67
Administrative staff	385
Management personnel	269
Support staff	63
Total	3,727

Relationship with Employees

We enter into standard labor, confidentiality and non-compete agreements with our employees. As of the Latest Practicable Date, our employees were represented by a labor union. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

Training and Development

We provide ongoing training and development through our corporate learning platform, with tiered and role-based programs for new employees, core employees and management personnel, and we also promote mentoring and job rotation. Our technical and R&D personnel participate in internal and external professional training programs. We maintain employee communication and feedback mechanisms and organize team-building activities.

Employee Benefits

We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. In addition to fixed remuneration, we offer diversified incentive arrangements, including short-term incentives such as performance-based bonuses, project-related bonuses for R&D activities and cost-efficiency initiatives, as well as long-term incentive arrangements, including employee share ownership plans, with the objective of aligning employee interests with the long-term development of the Group.

Social Insurance and Housing Provident Fund Contributions

Under the PRC Social Insurance Law (《中華人民共和國社會保險法》) and other applicable regulations, we are required to participate in statutory social insurance schemes for our employees. Under the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), we are required to make housing provident fund contributions for our employees. In addition, pursuant to the

urgent notice issued by the Ministry of Human Resources and Social Security on September 21, 2018 regarding stabilizing the collection of social insurance contributions (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》), local authorities responsible for social insurance collection are prohibited from organizing one-off centralized collection of enterprises' historical underpaid social insurance contributions. Further, pursuant to the Interpretation (II) of the Supreme People's Court on Certain Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (effective September 1, 2025) (the "**New Judicial Interpretation**"), any agreement or undertaking between an employer and an employee that social insurance contributions are not required is invalid, and where an employer fails to make social insurance contributions in accordance with law and an employee seeks to terminate the labor contract and obtain economic compensation under Article 38(3) of the PRC Labor Contract Law, the PRC courts shall support such claim. Our PRC Legal Advisor have advised that, as the New Judicial Interpretation does not repeal the currently effective PRC social insurance laws and regulations, the related risks and the potential impact on our business and financial performance are relatively limited.

During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees as required under applicable PRC laws and regulations, primarily due to a combination of the following factors. For certain employees, such employees voluntarily opted not to participate in the statutory social insurance and housing provident fund schemes. In addition, for certain employees, the contribution bases for social insurance and housing provident fund contributions were reference to the minimum contribution bases published by the competent local authorities, rather than the employees' actual wage levels. In certain cases, these factors resulted in contributions for our employees not being made in full during the relevant periods.

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. Considering that (i) we have obtained confirmations from the relevant competent government authorities, as well as conducted interviews and telephone consultations with such authorities, confirming that no administrative penalty was imposed on us in relation to our social insurance and housing provident fund contributions during the Track Record Period, (ii) during the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty in relation to social insurance and housing provident fund contributions, and we had not received any notice from relevant competent government authorities regarding any claim for inadequate contributions of our current and former employees, nor any notifications from the relevant competent government authorities requiring us to pay the shortfalls, (iii) we were not aware of any material employee complaints or claims with respect to inadequate social insurance and/or housing provident fund contributions and (iv) we undertake that, in the event that competent government authorities require us to make contributions within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner; our PRC Legal Advisor is of the view that assuming there is no material change in the applicable policies, regulations and local enforcement or supervisory practices, and in the absence of large-scale employee complaints, reports or related litigation or arbitration, the likelihood of us being required by the competent authorities to make a one-off consolidated settlement of any historical shortfalls in social insurance and housing provident fund contributions is remote. As a result, we did not make any provisions in connection with the foregoing

incident during the Track Record Period. See "Risk Factors — Risks Relating to Our Business and Industry — We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations."

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds; and

- we will consult our PRC legal Advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance trainings relating to the same.

During the Track Record Period and up to the Latest Practicable Date, there were no material strikes which had an adverse impact on our operation and no material disputes between the Group and our employees.

AWARDS AND RECOGNITION

Throughout our corporate history, we have received a number of major awards and accolades. The table sets forth a summary of the major awards and recognition we received as of October 31, 2025:

Year	Awards/Recognitions	Awarding Entity
2025	Provincial-Level Industrial Internet Platform (省級工業互聯網平台)	Department of Economy and Information Technology of Zhejiang Province
2025	Leading Enterprise of Private Economy Headquarters in Zhejiang Province (浙江省民營經濟總部領軍企業)	Department of Economy and Information Technology of Zhejiang Province
2025	Zhejiang Provincial Digital Workshop (浙江省數字化車間)	Department of Economy and Information Technology of Zhejiang Province
2023	First Prize, Zhejiang Province Intellectual Property Award (浙江省知識產權獎專利獎一等獎)	Zhejiang Provincial People's Government

Year	Awards/Recognitions	Awarding Entity
2023	National Green Factory (國家級綠色工廠)	Ministry of Industry and Information Technology of the People's Republic of China
2020	National Technology Innovation Demonstration Enterprise (國家技術創新示範企業)	Ministry of Industry and Information Technology of the People's Republic of China

INTELLECTUAL PROPERTY

Our intellectual property rights are critical to our business, and we are committed to the development and protection of our intellectual properties. Our future commercial success depends, in part, on our ability to obtain and maintain patent and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

We have a global portfolio of invention patents to protect our drug candidates and technologies. As of October 31, 2025, we owned (i) 293 issued patents, including 279 in China, three in the U.S., and 11 in other jurisdictions, and (ii) 61 patent applications, including 51 in China, two in the U.S., two under the Patent Cooperation Treaty (PCT) and six in other jurisdictions.

The following table summarizes the details of the material granted patents and patent applications in connection with our innovative drug candidates.

Name of Patent	Type of Patent	Registration/ Application Number	Owner/ Applicant	Status	Related Product	Application Date	Expiration Date	Jurisdiction
Treatment of Sleep Disorders	Invention	CN2008801123162	the Company	Granted	Dimdazenil	2008–08–19	2028–08–19	China
Treatment of Sleep Disorders	Invention	EP2008785624	the Company	Granted	Dimdazenil	2008–08–19	2028–08–19	Germany, France and the United Kingdom
Treatment of Sleep Disorders	Invention	JP2010521352	the Company	Granted	Dimdazenil	2008–08–19	2028–08–19	Japan
Treatment of Sleep Disorders	Invention	RU2010110560	the Company	Granted	Dimdazenil	2008–08–19	2028–08–19	Russian Federation
Treatment of Sleep Disorders	Invention	US14/244085	the Company	Granted	Dimdazenil	2014–04–03	2028–08–19	United States
Treatment of Sleep Disorders	Invention	CA2696703	the Company	Granted	Dimdazenil	2008–08–19	2028–08–19	Canada
Treatment of Sleep Disorders	Invention	HK10111353	the Company	Granted	Dimdazenil	2008–08–19	2028–08–19	Hong Kong, China
Treatment of Sleep Disorders	Invention	KR1020107003698	the Company	Granted	Dimdazenil	2008–08–19	2028–08–19	South Korea
Solid-State Form of a Benzodiazepine Compound, and Preparation Method and Use Thereof	Invention	CN2017105001697	the Company	Granted	Dimdazenil	2017–06–27	2037–06–27	China
Stable Oral Pharmaceutical Composition, and Preparation Method Thereof	Invention	CN2017102646356	the Company	Granted	Dimdazenil	2017–04–21	2037–04–21	China
Enteric-Coated Formulation of Periplaneta americana Extract, and Preparation Method Thereof	Invention	CN2018116244150	the Company	Granted	JX6001	2018–12–28	2038–12–28	China

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings in respect of our intellectual property rights, and we had not received notice of any claims of infringement of any intellectual property rights that may be threatened or pending in which we may be a claimant or a respondent.

DATA PRIVACY AND PROTECTION

We attach great importance to data privacy and information security. We have established a data compliance and security management framework and implement internal policies and procedures to safeguard personal information and other data processed in the course of our operations, in accordance with applicable PRC laws and regulations, including the PRC Cybersecurity Law, the PRC Data Security Law and the PRC Personal Information Protection Law, as well as related implementing rules and standards.

Internet information services. We are primarily engaged in traditional pharmaceutical research and development, manufacturing and sales, and does not provide internet information content or platform services to the general public. Accordingly, we are not subject to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》) or related licensing or permit requirements, and its business does not involve foreign investment access restrictions applicable to internet information services. Our data processing activities are conducted mainly for internal operations and ordinary course business dealings and do not constitute "internet information services" under applicable PRC laws and regulations.

Scope of personal information processing. Based on our business model and operating processes, we primarily process personal information relating to (i) our employees and other personnel engaged by the Group, and (ii) business contact information of counterparties (such as customers, suppliers and project contacts at hospitals, CROs and other service providers) for business communication, supplier/customer management and contract performance. Our personal information processing scenarios are relatively limited and the processing scale is commensurate with our business operations.

Clinical trials and patient data. In connection with our clinical trials, personal information and health-related information of trial subjects are collected and processed by the relevant clinical trial institutions in accordance with applicable laws and regulations and the informed consent form. We do not directly collect or hold trial subjects' directly identifiable personal information in the ordinary course; instead, we generally receive and process de-identified clinical data for trial management, analysis and regulatory submission purposes. We require relevant external parties engaged in clinical trials (including clinical trial institutions and service providers) to comply with applicable confidentiality and data protection requirements.

Data governance, technical and organizational measures. We have adopted internal systems and measures covering, among others, data security management rules and operating procedures, confidentiality and information security management, access control, backup and recovery, and security incident management. Our core systems are primarily deployed locally, and relevant data is mainly stored in our self-built data centre. We implement, among other things, automated encryption of files containing personal information at rest, role-based access control based on the principle of least privilege, logging and audit trails for key actions, and prior approval controls for sensitive access, download and transmission activities.

PROPERTIES

Our headquarter office is located in Zhejiang, China. We own and lease properties in China and overseas.

As of the Latest Practicable Date, our Company and Major Subsidiaries owned the land use rights of 41 parcels of land in the PRC with an aggregate site area of approximately 1,315,231 sq.m. and owned 107 buildings in the PRC with a total gross floor area of approximately 481,540 sq.m. Such land parcels and buildings are primarily used for production, research and development, office operations, warehousing, employee dormitories, ancillary commercial services and other purposes.

As of the Latest Practicable Date, save for leases between our Company and its subsidiaries and leases of car parking spaces, our Company leased six properties in mainland China with an aggregate gross floor area of approximately 39,459 sq.m., which were primarily used for office, production, research and development and staff dormitory purposes.

We occupy certain properties in the PRC in connection with our business operation. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of the date of the most recent audited combined balance sheet of our Group, none of the properties owned and leased by us had a carrying amount of 15% or more of our combined total assets.

Defects in our Owned Buildings

As of the Latest Practicable Date, our Company and Major Subsidiaries had not obtained the building ownership certificates for 12 of our owned buildings, which are all based on our self-owned land, with an aggregated gross floor area of approximately 182,436 sq.m. in 3 Provinces, China. We have obtained all permits necessary for such properties' planning and construction to ensure compliance with relevant governmental authorities throughout the construction process, and we were in the process of obtaining relevant building ownership certificates as of the Latest Practicable Date. These properties are used as production, research and development, office operations and employee dormitories. We are in the process of obtaining the relevant certificates, primarily because (i) certain historical factors have resulted in the absence of certain supporting documents, construction of the relevant properties spanning multiple land parcels and issues arising from changes in applicable policies and (ii) the developer has not yet completed the unit subdivision procedures for the relevant properties.

We have communicated with the relevant competent governmental authorities which confirmed that as of the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to the failure to obtain the building ownership certificates. Our PRC Legal Advisor is of the view that the relevant government authorities are competent to provide such confirmation. We have obtained confirmations from the competent authorities confirming that such buildings do not constitute illegal constructions and that no compulsory demolition or other administrative penalties will be imposed in respect thereof. Based on the above, our PRC Legal Advisor is of the view that any failure to obtain such building ownership certificates will not have a material adverse effect on our production and operations.

Defects in our Leased Buildings

According to applicable PRC administrative regulations, both the lessor and the lessee of a lease agreement are required to file the lease agreement with the relevant government authorities. As of the Latest Practicable Date, our Company and Major Subsidiaries had not filed our lease agreements for 37 buildings we leased with the local housing administration authorities as required under PRC laws and regulations. We were unable to file these lease agreements as we have yet obtained the necessary documentation for lease registration. As advised by our PRC Legal Advisor, the absence of registration will not affect the validity of the lease agreements, nor materially and adversely affect the operations of our Company and Major Subsidiaries, but we may be subject to a potential total exposure to fines of RMB510,000 for those unregistered lease agreement if required by the relevant competent authorities.

As of the Latest Practicable Date, there were defects in some of our leased buildings. As of the same date, the ownership certificates or other similar proof for 3 of our Company and Major Subsidiaries leased buildings (representing approximately 4.7% of our Company's and Major Subsidiaries' owned and leased buildings in terms of gross floor area) had not been provided to us by the relevant lessors. These leased buildings were mainly used as factory buildings, production, research and development and office use. As advised by our PRC Legal Advisor, if these lessors are not the owners of the buildings and they have not obtained consent or approval for sub-lease from the owners or their lessors, or permits from the relevant governmental authorities, our leases could be terminated and we may be required to relocate, in which case we will be entitled to demand the relevant lessor return prepaid rent and indemnify us for damages caused by the title defect. In the event that relocation becomes necessary, we believe we can promptly find suitable alternative buildings for relocation under comparable terms, without incurring significant additional costs, considering the nature and respective size of use of these leased buildings.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business to safeguard against risks and unexpected events in China. Our insurance coverage comprises personnel-related policies such as pension, medical, work-related injury, maternity, and unemployment insurance. We have also secured comprehensive property insurance to cover losses arising from natural or other disasters affecting our manufacturing facilities or other assets. For each clinical trial, we have purchased clinical trial liability insurance to ensure comprehensive protection for the safety and legal rights of trial participants. We believe our existing insurance coverage is adequate for our present operations and in line with the industry practice in China.

LICENSES, PERMITS AND APPROVALS

We are required to obtain a number of licenses, permits, approvals and certificates for our business in PRC. As advised by our PRC Legal Advisor, we had duly obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date.

The table below sets forth the relevant details of the material licenses, approvals and permits we hold for our operations.

License/ Permit	Holder	License Name	Issuing Authority	License Number	Expiration Date
1	Zhejiang Jingxin Pharmaceutical Co., Ltd.	Pharmaceutical Manufacturing License	Zhejiang Provincial Medical Products Administration	Zhe 20000213	11-Dec-29
2	Zhejiang Jingxin Medical Co., Ltd.	Drug Business License	Zhejiang Provincial Medical Products Administration	Zhe AA575000020	24-Oct-27
3	Shenzhen Beacon Display Technology Co., Ltd.	Medical Device Business License	Shenzhen Municipal Market Supervision Administration	Yue Shen Shi Yao Jian Xie Jing Ying Xu 20201015	9-Dec-30
4	Shenyang TORCH-BIGTIDE DIGITAL Technology Co., Ltd.	Import and Export Consignee/Consignor Registration	General Administration of Customs of the PRC	2101911150	Long-term
5	Zhejiang Jingxin Pharmaceutical Import & Export Co., Ltd.	Customs Registration Certificate for Declarant Entity	Shaoxing Customs (Xinsheng Office), PRC Customs	3306967367	Long-term

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. As advised by our PRC Legal Advisor, there is no material legal impediment to renewing our licenses, permits, approvals and certificates required for our operations.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions we operate in during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROLS

We are committed to developing and maintaining risk management and internal control systems comprised of policies and procedures tailored to our business operations. Our dedication lies in the continual enhancement of these systems to ensure their effectiveness.

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. See "Risk Factors — Risks Relating to Our Business and Industry" for more details. We have established our risk management systems to identify, assess, monitor and mitigate the risks that may hinder our success including strategic risks, operational risks, financial risks and legal risks.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system;
- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- enhance our reporting and records system for production facilities, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;
- establish a set of emergency procedures in the event of major quality-related issues; and
- provide enhanced training programs on quality assurance and product safety procedures.

Internal Controls

Our management team is responsible for establishing our internal controls system and the audit committee of our Board is responsible for reviewing its effectiveness. We have engaged an independent internal control consultant to perform the internal review procedures in connection with the internal control of our Company and our major operating subsidiaries and to report factual findings on our Group's entity-level controls and internal controls of various processes, including financial reporting and disclosure controls, human resources and payroll management, general controls of IT system, taxation management, contract management, and other procedures of our operations.

We are committed to establishing and maintaining risk management and internal control systems. We have adopted and implemented a comprehensive risk management policy encompassing risks that may arise in research and development, procurement management, production management, and sales management. Our risk management and internal control systems also cover the general functional operations such as human resources, financial management, asset management, warehousing and logistics management, information system management and corporate governance as well as decision-making processes. Meanwhile, we are committed to supervising and evaluating the effectiveness of risk management and internal control system to ensure that the system is rectified and effectively controlled as our business develops.

Anti-bribery

We maintain a code of conduct and anti-corruption policies that prohibit bribery and other improper payments in all business activities, including interactions with government officials and healthcare professionals, and we require distributors to assume integrity obligations under distribution agreements. Improper payments prohibited include bribes, kickbacks, excessive gifts or entertainment and other payments intended to obtain undue business advantage. We maintain accurate books and records and require personnel to reject and report requests for false invoices or unusual, excessive or inadequately described expenses. Our agreements with third-party promoters include anti-bribery clauses prohibiting commercial bribery (including through companies, individuals or their relatives) in connection with product promotion, and personnel involved in academic promotion and marketing activities are prohibited from providing gifts or services for personal use to healthcare professionals or engaging in conduct intended to improperly secure approvals, generate business or induce or reward prescription behavior. We also require sales personnel to comply with applicable promotion and advertising requirements, including restrictions on off-label promotion and limitations on industry-sponsored scientific and educational activities.

Non-Competition

We protect proprietary information arising from our development and production activities, including formulations, preparation techniques, methodologies and research strategies. Employment agreements with senior management and key technical personnel include confidentiality and non-compete clauses, we assign code names to core projects, and researchers are prohibited from removing electronic or physical records of experimental results and data from laboratory premises.