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OVERVIEW

Who We Are

We are a biopharmaceutical company focused on innovation in Natural Medicines from inception, with capabilities spanning discovery, development, industrialization and commercialization of high-barrier, innovative therapies. We are clinically driven and focus on major therapeutic areas including metabolic diseases, malignant tumors, and inflammatory and immune diseases. Our goal is to develop globally differentiated therapies that can address complex disease biology and deliver meaningful clinical outcomes.

Natural Medicines refer to naturally derived medicinal substances and their formulations developed under Modern Medical Theories. They are primarily plant-based and typically contain structurally diverse molecules with broad pharmacological activity. In complex diseases, multiple active molecules may act in concert, supporting multi-pathway disease control. According to CIC, Natural Medicines that contain defined active components and developed based on such synergistic interactions are considered more conducive to holistic regulation of the human body and demonstrate greater clinical advantages in the treatment of complex diseases such as metabolism-related disorders. However, Natural Medicines are technically demanding to develop and translate into approvable drug products, primarily due to (i) defining the effective components and their molecular structures; (ii) elucidating multi-component pharmacology and the underlying molecular mechanisms of synergistic effects; and (iii) conducting clinical evaluation to internationally accepted standards. According to CIC, only a very limited number of Natural Medicine products that contain active components have been successfully approved for marketing globally. Under China’s drug registration classification framework, Natural Medicines are registered by reference to the TCM classification pathway.

We began with diabetes and are expanding into additional indications to build a Natural Medicine portfolio with broader, multi-pathway therapeutic potential for metabolically related complex diseases. In parallel, we develop DDS to address technical bottlenecks of in vivo drug delivery. Through innovation in dosing and delivery modalities, we aim to enhance safety, efficacy and convenience, and provide targeted and modified-release formulations platforms that can be applied to Natural Medicines and other APIs, thereby forming a complementary pipeline built on both Natural Medicines and DDS.

Our Core Capabilities

We have built an integrated capability platform covering the discovery and industrialization of Natural Medicines as well as DDS technologies. Leveraging these capabilities, we are advancing a pipeline with a focus on metabolic diseases and malignant tumors:

Metabolic Diseases — with type 2 diabetes as the initial focus, and expanding into PCOS, obesity and MASH

Natural Medicines with active components have attracted growing clinical interest in metabolic diseases, but development is technically challenging due to their inherent complexity, particularly in separation and enrichment, structural characterization, quality control, PK and elucidation of MOA. According to CIC, as of the Latest Practicable Date, *Sangbo’en* is the first and only original Natural Medicine in China approved for glycemic control, and also the world’s first plant-derived Natural Medicine based on clearly defined active components for glycemic control.

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Building on years of research in Natural Medicines, we (i) elucidated the PK profile and MOA of SZ-A, and (ii) addressed key bottlenecks in separation, enrichment and quality control — enabling us to develop *Sangbo'en* and advance type 2 diabetes treatment from potent glucose lowering toward broader metabolic management with multiple benefits. In parallel, based on our continued research into shared mechanisms across metabolic diseases, we have been expanding into additional indications, including PCOS, obesity and MASH, to explore the therapeutic potential of applying a shared mechanistic approach across distinct metabolic conditions.

Malignant Tumors — focusing on DDS for the active monomer paclitaxel, targeting neoadjuvant treatment for Luminal subtype breast cancer

Plant-derived natural product monomers, such as paclitaxel, vinblastine and camptothecin derivatives, are widely used for anti-tumor treatments. Paclitaxel is a cornerstone chemotherapy for multiple solid tumors, particularly breast cancer, but its clinical use is often constrained by delivery-related limitations, including low tumor-targeting efficiency, poor tolerability and significant systemic toxicities. To address these challenges, we have focused on paclitaxel and, based on a lipid nanocarrier technology, developed a paclitaxel-cholesterol conjugated tumor-targeting lipid emulsion. This formulation is designed to enhance solubilization capacity and tumor-targeted delivery efficiency, improve tolerance and antitumor efficacy, eliminate complex pretreatment regimens, and increase administration convenience.

Luminal subtype breast cancer has historically shown limited sensitivity to conventional chemotherapy, creating a long-standing challenge in neoadjuvant treatment. Leveraging our lipid nanocarrier technology, WH002 is designed to enhance neoadjuvant outcomes by improving chemotherapy sensitivity through targeted delivery, immune activation and lipid metabolism reprogramming regulation, with the goal of benefiting a broader group of patients.

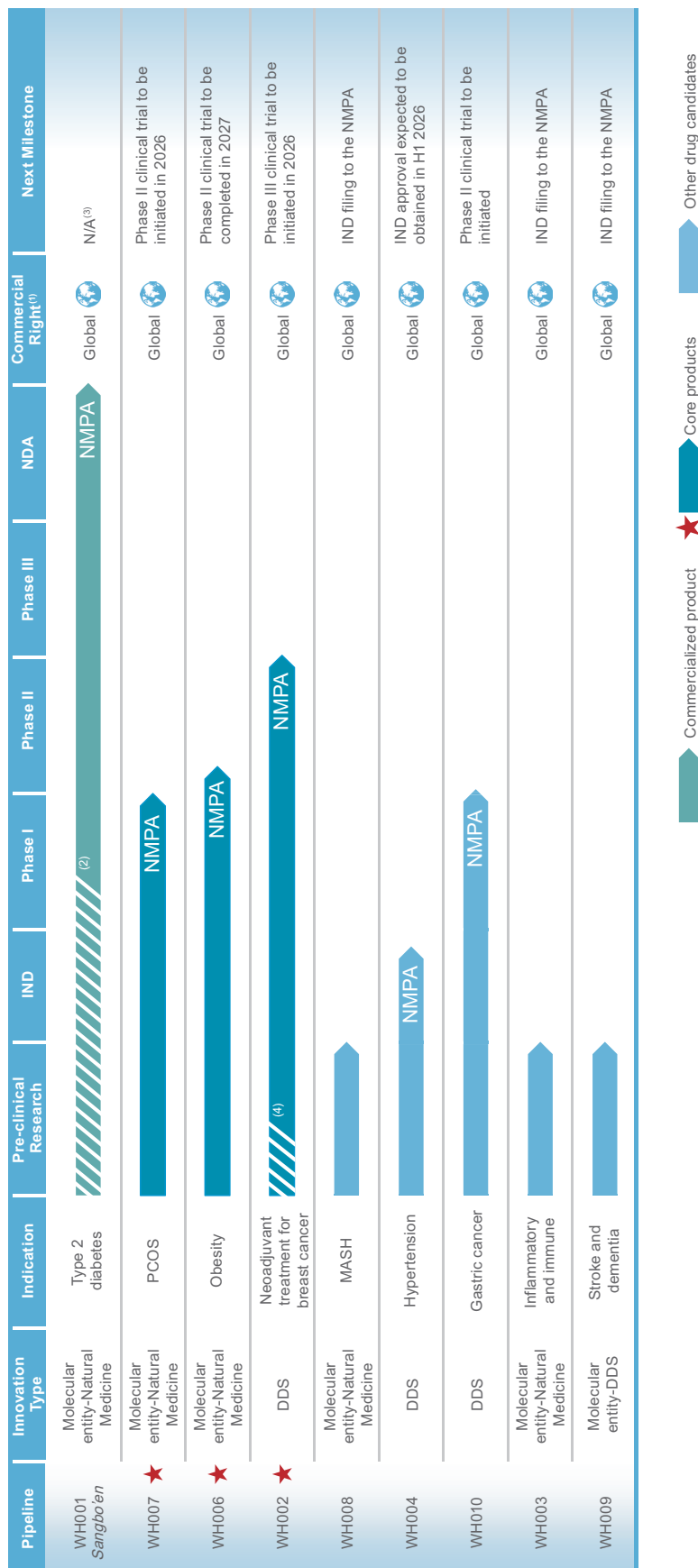
Our Product Pipeline

As of the Latest Practicable Date, we have established the following product pipelines:

- One commercialized product, *Sangbo'en*, for type 2 diabetes, a Natural Medicine, currently classified as TCM Category 1.2.
- Three Core Products, including: (i) WH007, for PCOS, a Natural Medicine candidate, currently classified as TCM Category 2.3; (ii) WH006, for obesity, a Natural Medicine candidate, currently classified as TCM Category 2.3; and (iii) WH002, for neoadjuvant treatment for breast cancer, a chemical drug candidate, classified as Category 2.2 Modified New Chemical Drug.
- Five other drug candidates.

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The following chart sets forth the development status of our product pipeline as of the Latest Practicable Date:



Abbreviations: IND: investigational new drug; NDA: new drug application; NMPA: National Medical Products Administration; PCOS: polycystic ovary syndrome; DDS: drug delivery system; MASH: metabolic dysfunction-associated steatohepatitis.

Notes:

- (1) We maintain the exclusive global rights to develop, manufacture and commercialize our commercialized product, Core Products and other drug candidates.
- (2) We have been assigned the exclusive patent rights, as well as the subsequent rights to develop, manufacture, and commercialize WH001 from the IMM. At the time of such assignment, WH001 was still in Phase I clinical trial stage.
- (3) WH001 *Sangbo en* has been commercialized in 2020.
- (4) We have been assigned the exclusive patent rights, as well as the subsequent rights to develop, manufacture, and commercialize WH002 from the IMM. At the time of such assignment, WH002 was still in preclinical research stage.

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OUR STRENGTHS

Our Pioneering Natural Medicine WH001 *Sangbo'en* and Core Products for Metabolic Diseases through Indication Expansion

We have developed WH001 *Sangbo'en* for the treatment of type 2 diabetes. Its pharmacological effects involve multiple pathways associated with metabolic regulation. Metabolic diseases often share common pathophysiological foundations, such as insulin resistance, inflammatory responses and lipid metabolism disorders, which provide a scientific basis for our multi-indication expansion strategy in the field of metabolic disease treatment.

Metabolic diseases represent a substantial and continuously growing global treatment demand. According to CIC, in recent years, the global prevalence of metabolic diseases is approximately 25.0%, constituting a major health burden. In China, the prevalence is approximately 35.0%, reaching as high as 58.1% among individuals aged 60 and above, and the growth rate of the patient population is expected to surpass that of developed countries such as the United States. Given the chronic nature of metabolic diseases there is a need for medications that are amenable to chronic use, convenient to administer, and exhibit a favorable safety profile. Metabolic diseases also often co-exist, with overlapping mechanisms. As a result, modern clinical practice increasingly values therapies that can deliver multiple clinical benefits, and meaningful needs remain.

We entered metabolic disease treatment through type 2 diabetes with *Sangbo'en*, a plant-derived Natural Medicine with SZ-A as its active components. In development, we focused on glycemic control while also evaluating its potential to improve broader metabolic features commonly seen in diabetes, such as β -cell dysfunction, insulin resistance, chronic low-grade inflammation, oxidative stress and dyslipidemia.

- **Authoritative guideline inclusion:** As of the Latest Practicable Date, *Sangbo'en* has been included in key clinical guidelines, including the *Guideline for the Prevention and Treatment of Type 2 Diabetes in China (2024)* (《中國糖尿病防治指南(2024)》) and the *National Primary Care Guideline for Diabetes Prevention and Management (2025)* (《國家基層糖尿病防治管理指南(2025)》). According to CIC, these guidelines are important references for physicians when selecting therapies for diabetes.
- **Distinct MOA:** Following oral administration, *Sangbo'en* first acts in the gut by inhibiting intestinal α -glucosidase, and enabling rapid reduction of postprandial glucose. In vitro data indicate that *Sangbo'en* selectively inhibits disaccharidases with minimal inhibition of amylase, which may help reduce gastrointestinal adverse effects. *Sangbo'en*'s active components can then be systemically absorbed and distributed to multiple metabolism-relevant tissues, where they may exert multi-faceted pharmacological effects, including β -cell protection, improved insulin sensitivity, anti-inflammatory activity and modulation of lipid metabolism. Published studies further suggest that, following absorption, *Sangbo'en* exerts its therapeutic effect and is ultimately excreted in its unchanged form through the kidney, with no impact on liver enzyme activity, implying a lower potential for drug-drug interactions.
- **Robust glycemic control:** Clinical results show clinically meaningful glycated hemoglobin (“HbA1c”) reductions with *Sangbo'en*. Among patients with mean baseline HbA1c of 8.24%, 8.66%, and 9.05%, HbA1c decreased by 1.33%, 1.80% and 2.09%, respectively. In patients with suboptimal control on other antidiabetic regimens (such as metformin (“MET”), sulfonylureas, dipeptidyl peptidase-4 inhibitor

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(“DPP-4i”) and insulin), add-on use further improved HbA1c. More than 60% of patients achieved target glycemic control, with particularly notable improvements in postprandial glucose, which may help reduce glycemic variability.

- **Multiple clinical benefits:** *Sangbo'en* aims to deliver benefits beyond glucose lowering. Reported advantages include: (i) improving key diabetes pathophysiology, significantly improving β -cell function and alleviating insulin resistance (mean homeostasis model assessment of β -cell function (“HOMA- β ”) increased by 15.8% from baseline and mean homeostasis model assessment of insulin resistance (“HOMA-IR”) decreased by 16.4% from baseline), which may support longer-term outcomes; (ii) slowing progression of kidney diseases, alleviating kidney injury and reducing albuminuria, with reductions of 44.6% in urinary albumin-to-creatinine ratio (“UACR”), 34.8% in α 1-microglobulin (“ α 1-MG”) and 33.5% in β 2-microglobulin (“ β 2-MG”), which may help reduce end-stage renal disease risk; and (iii) significantly alleviating liver impairment and helping improve overall metabolic status.

Leveraging the research of *Sangbo'en*, we have developed Core Products WH007 and WH006 targeting broader metabolic diseases, including PCOS and obesity. Such expansion is based on the common pathological foundations shared between type 2 diabetes and metabolism-related disorders, together with the extensive tissue distribution of SZ-A following administration, which may improve mitochondrial function across tissues, promote energy metabolism and regulate the homeostasis of the neuro-endocrine axis. These findings provide scientific rationale for evaluating the application of our drug candidates across multiple metabolism-related indications and support our mechanism-based indication expansion across multiple metabolic diseases:

- **Core Product WH007, indicated for PCOS:** WH007 is our Natural Medicine candidate developed for an indication expansion into PCOS, leveraging SZ-A as the active components originally developed for *Sangbo'en*. PCOS is one of the most common reproductive endocrine disorders among women of reproductive age and a leading cause of infertility. According to CIC, as of the end of 2025, PCOS affects approximately 6.0% to 13.0% of women of reproductive age globally, including approximately 7.8% in China, and prevalence has been increasing.

PCOS is a complex disorder involving both metabolic and endocrine dysregulation, with dysfunction of the HPO axis as a central pathogenic mechanism. Current clinical management are largely symptom-oriented and fail to target the core pathological mechanisms of PCOS, and cannot meet the clinical requirements of restoring natural conception and fertility in patients. There are currently no globally approved drugs specifically indicated for PCOS. WH007 is designed to address this gap through its unique HPO axis regulatory mechanism:

- (i) **Distinct HPO axis modulation:** Preclinical studies show that SZ-A can distribute to the hypothalamus, pituitary and ovary. These studies further suggest it may improve mitochondrial and tissue function, regulate hypothalamic gonadotropin-releasing hormone (“GnRH”) neuronal activity, modulate pituitary luteinizing hormone/follicle-stimulating hormone (“LH/FSH”), and suppress overexpression of key ovarian androgen-synthesis enzymes. In addition, it may alleviate ovarian insulin resistance and inflammation, reduce granulosa cell apoptosis and help create a more favorable microenvironment for follicle growth and maturation.

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- (ii) ***Demonstrated pharmacodynamic activity:*** Across multiple animal models of PCOS, efficacy evaluations show that WH007 improved estrous cyclicity and polycystic ovarian morphology, normalized hormone levels and metabolic abnormalities, and significantly increased pregnancy rates and litter size at first parity, while reducing the occurrence of dystocia and stillbirth.
- (iii) ***Favorable clinical signals from investigator-initiated trial (“IIT”) studies:*** Results from an IIT showed that, after 24 weeks of treatment, PCOS patients had a significant reduction in FAI and meaningful improvement in menstrual cyclicity. No serious adverse events (“SAE(s)”) were reported during treatment, and the safety profile was favorable.

WH007 obtained the IND approval from the NMPA in December 2025 to conduct Phase II clinical trial for the treatment of PCOS.

- ***Core Product WH006, indicated for obesity:*** WH006 is our Natural Medicine candidate developed through indication expansion based on SZ-A as the active components, and is indicated for obesity. According to CIC, the global population with obesity exceeded one billion as of the end of 2024, representing approximately one-eighth of the world’s total population, and the combined prevalence of overweight and obesity among adults in China exceeds 50.0%. A 2021 survey further estimated that, in China, 5.2% of non-communicable disease deaths were attributable to elevated body mass index (“BMI”).

As health awareness rises, weight management is increasingly viewed as long-term metabolic management rather than a short-term weight-loss goal. Competition in weight-loss pharmacotherapy has shifted from single-target approaches to multi-target solutions that address core mechanisms of metabolic regulation. WH006 is designed to deliver effective weight management through a differentiated mechanism together with convenient administration:

- (i) ***Multi-pathway metabolic modulation:*** Leveraging its systemic regulatory profile, WH006 is designed to act across the gut-liver-adipose-brain axis, reducing inflammation, promoting lipid metabolism, enhancing metabolism, lowering lipid synthesis, and moderating preference for high-fat foods — forming a coordinated, multi-pathway weight-management mechanism.
- (ii) ***Demonstrated pharmacodynamic activity:*** In a high-fat diet induced obesity mouse model, low-, mid- and high-dose WH006 groups achieved body-weight reductions of 11.5%, 13.8% and 14.1%, respectively. In a Gubra-amylin NASH (“GAN”) diet-induced obesity model with concomitant non-alcoholic fatty liver, the three dose groups achieved body-weight reductions of 8.1%, 7.6% and 12.5%, respectively. The high-dose group showed a weight loss effect comparable to the positive-control drug semaglutide.
- (iii) ***Distinctive advantage in weight management:*** WH006 is designed to reduce fat mass while preserving muscle mass, and has been associated with increased bone mineral density, highlighting its potential as an oral weight-management therapy candidate.

WH006 completed a Phase I clinical trial at Peking University First Hospital in November 2024, and initiated a Phase II clinical trial for obesity in August 2025.

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Our Anti-tumor Candidate Demonstrates Improvements of Safety, Efficacy and Convenience

Paclitaxel is one of the most widely used plant-derived cytotoxic anti-cancer agents and is a cornerstone therapy for breast cancer. Paclitaxel-based regimens are also used in neoadjuvant treatment. According to CIC, the Luminal subtype is the most common form of breast cancer, accounting for approximately 65.0% of all cases in 2024. Despite its large patient population and clinical significance, Luminal subtype breast cancer is generally less sensitive to conventional chemotherapy. In neoadjuvant treatment, currently available paclitaxel formulations, including conventional injections and other nano-formulations, have typically delivered tpCR rates of below 10.0% and none has been approved with a indication for neoadjuvant treatment for breast cancer. Improving neoadjuvant outcomes in Luminal subtype breast cancer therefore remains a significant need. We believe WH002 has the potential to become the first paclitaxel-based nano-drug globally for the indication of neoadjuvant treatment for breast cancer.

We designed WH002, a paclitaxel-cholesterol conjugated tumor-targeting lipid emulsion, to enhance the clinical value of plant-derived cytotoxic drugs through innovation in drug delivery and administration:

- ***Proprietary lipid nanocarrier technology:*** Based on our in-house lipid nanocarrier supramolecular technology, WH002 addresses key formulation challenges of paclitaxel, including poor solubility and low drug loading. It is compatible with terminal heat sterilization and can be infused directly in clinical use.
- ***Enhancing efficacy through targeted delivery, immune activation and lipid-metabolism reprogramming:*** WH002 is designed to improve tumor targeting and cellular uptake. In an MDA-MB-231 human breast cancer xenograft model in nude mice, WH002 demonstrated anti-tumor activity. By increasing tumor exposure, inducing stronger immunogenic cell death (“ICD”) and modulating lipid-metabolism reprogramming, WH002 is designed to enhance chemosensitivity in Luminal subtype breast cancer and improve neoadjuvant outcomes.
- ***Phase I safety and tolerability profile:*** WH002 does not require Cremophor as a solubilizer — a component in conventional paclitaxel formulations that is commonly associated with hypersensitivity reactions. In Phase I clinical trial, subjects completed WH002 treatment without corticosteroid premedication and no immediate hypersensitivity reactions were reported. The tolerated dose was over 345 mg/m², substantially above the typical dose for conventional paclitaxel injection (200 mg/m²), supporting the feasibility of administration without steroid desensitization premedication.
- ***Clinical advantages in neoadjuvant treatment of Luminal subtype breast cancer:*** In a Phase II clinical trial in HER2-negative breast cancer patients, with conventional paclitaxel injection plus corticosteroid premedication as the control group, the WH002 group achieved a pre-surgery objective response rate (“ORR”) of 85.0% (complete response (“CR”) 15.0%) versus 70.0% (CR 0) in the control group. Post-surgery tpCR was 20.0% in the WH002 group versus 15.0% in the control group. In the Luminal subgroup, the WH002 group achieved a pre-surgery ORR of 80.0% and a post-surgery tpCR of 30.0% both significantly higher than in the control group.

WH002 completed its Phase II clinical trial at the Cancer Hospital of the Chinese Academy of Medical Sciences in November 2025.

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Platform Capabilities Enabling End-to-End Development of Natural Medicines and DDS

We have established platform capabilities that support the full development chain for Natural Medicines and DDS, from discovery and preclinical research to clinical trials, industrialization and value realization. These integrated platforms are designed to address core development challenges specific to Natural Medicines and DDS, and to support sustained innovation.

In particular, we operate the following four platforms:

- ***Natural Medicines — active component-based separation, quality control and industrialization platform:*** Separating and enriching trace water-soluble alkaloids from natural plants is technically demanding. In addition, scaling multi-component active substances while maintaining their natural proportion, batch-to-batch consistency and commercial manufacturability presents significant challenges. To address these industry challenges, we built this platform to solve three core hurdles for active components Natural Medicines:
 - (i) ***Precise separation and enrichment:*** We have established an advanced membrane concentration based, continuous ion-exchange resin separation process that increases the content of trace water-soluble alkaloids in mulberry twigs from approximately below 0.05% to above 50.0%, which represents an enrichment of approximately 1,000x, while achieving parallel transfer of individual alkaloid components and maintaining stable composition ratios of 1-deoxynojirimycin (“DNJ”), fagomine (“FA”), and 1,4-dideoxy-1,4-imino-D-arabinitol (“DAB”) during enrichment.
 - (ii) ***Quality control:*** Leveraging advanced analytical methods such as high-performance liquid chromatography, gas chromatography, inductively coupled plasma mass spectrometry, we can track key intermediates in real time and quantitatively control critical quality attributes of the final product, including content, resin residues and heavy metals, supporting consistent and reliable product quality.
 - (iii) ***Industrialization:*** Through integrated equipment and system integration, we have built a fully automated production line covering extraction, concentration, separation, purification and drying. The line can process over 80 tons of raw materials per day and supports continuous, inline production with stable, repeatable processes, which provides a strong manufacturing backbone for scaled production of Natural Medicines.

As of September 30, 2025, we had obtained 12 granted invention patents relating to core technologies and preparation systems for this platform. As of the same date, we had also filed PCT applications establishing a patent portfolio covering 17 countries and/or regions relating to relevant plant extraction methods.

- ***Natural Medicines — pharmacology evaluation, synergy mechanism elucidation and reverse target discovery platform:*** Natural Medicines face high R&D barriers due to compositional complexity and multi-mechanism profiles. Focusing on the strengths of

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Natural Medicines in metabolic regulation, reproductive health and anti-aging, we built a technology platform spanning in vivo, cellular and molecular research to support multi-indication development:

- (i) ***Pharmacodynamic evaluation:*** We have established multiple evaluation systems tailored to different indications, including metabolic assessments, neuro-behavioral assessments, immune-function assessments and reproductive-function assessments.
- (ii) ***Synergy mechanism elucidation:*** To dissect mechanisms and pathways underlying active components Natural Medicines, we apply technologies such as multi-omics, single-cell sequencing, complemented by *in vitro* enzymology, to characterize multi-component, multi-pathway synergistic effects and map the pathways relevant to our mechanism-based, multi-indication development approach.
- (iii) ***Reverse target discovery:*** Based on datasets and mechanistic findings generated through this platform, we focus on the neuroendocrine axis and mitochondrial energy metabolism, use chemical biology methods, such as molecular probes and target-interaction studies, to identify and validate key target proteins, and further clarify the biological basis for disease modulation and indication expansion.
- ***DDS — targeted delivery and modified-release formulations platform:*** Innovation in drug delivery is a key driver of druggability. Through our DDS platform, we aim to address core technical and translation bottlenecks in delivery development:
 - (i) ***Complex supramolecular lipid nanocarrier technology:*** Leveraging non-covalent interactions between Natural Medicines and lipid materials, we developed a complex supramolecular core technology that improves the lipophilicity of poorly soluble drugs and serves as an intermediate for nano-encapsulation, enabling lipid emulsions, self-microemulsifying systems and nanovesicles with high encapsulation efficiency, strong stability and controllable particle size.
 - (ii) ***Development and translation of tumor-targeting lipid emulsions:*** Using this platform, we developed a cholesterol-conjugated paclitaxel tumor-targeting lipid emulsion nano-drug, establishing a translational platform to achieve directional delivery to tumor tissues and cells.
 - (iii) ***Development and translation of immune-targeting oral self-microemulsifying delivery systems:*** Using a phospholipid-based supramolecular structure, we developed an oral self-microemulsifying delivery system for flavonoid- and polyphenol-based Natural Medicine candidates, establishing a translational platform to target mesenteric lymph nodes and enhance lymphatic transport, thereby supporting more potent anti-inflammatory and immunomodulatory effects.
 - (iv) ***Development and translation of oral modified-release formulations:*** Using nifedipine hydrochloride (“NIC”) as a poorly soluble model compound, we developed an osmotic pump controlled-release formulation designed to provide a constant release over 24 hours. This work addressed challenges relating to poor

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solubility, low bioavailability and the industrialization of osmotic-pump manufacturing, and established a scale-up platform that can support formulation development for a broad range of active molecules.

- ***Professional clinical research and translational services platform:*** Our clinical research and translational services platform provides support, including precision subject screening, scientifically grounded protocol design, efficient patient recruitment, real-time clinical monitoring and quality management. The platform is designed to optimize trial costs, maintain controlled timelines and ensure traceable quality, providing a foundation for clinical value generation and supporting efficient progression through the clinical stage.

Academically Driven Commercialization Supported by a Nationwide Distribution Network

We commercialize our products through an academically driven model, supported by a nationwide sales and distribution network. This approach is designed to translate clinical and academic evidence into broader adoption in clinical practice and enhance market penetration, and provides a replicable framework for commercializing for our pipeline candidates.

Academic engagement as the primary commercialization driver: We pursue a commercialization strategy led by academic engagement, with a focus on communicating medical value to clinical practice. For *Sangbo'en*, we have established a structured medical communication framework and support commercialization through ongoing academic and clinical research activities. These include studies on efficacy, safety and broader clinical attributes, as well as post-marketing Phase IV clinical trials and multiple IITs. We apply research findings back to clinical practice to support appropriate use and academic discussion. Over time, this approach supports expert recognition and has contributed to the inclusion of *Sangbo'en* in clinical guidelines and expert consensus.

Nationwide sales and distribution for Sangbo'en: We operate an integrated distribution system and have built a distribution network covering hospitals, pharmacies and e-commerce platforms across China. We believe this model helps us expand coverage in a cost-effective manner while maintaining appropriate oversight of our distribution network and marketing processes. As of September 30, 2025, our distribution network covered 31 provinces, municipalities and autonomous regions in China.

Experienced Senior Management and Industry-Leading R&D Capabilities

Our growth is driven by the combination of an experienced management team and a strong bench of R&D talent, which integrates industrialization execution with innovation. Our Chairman, Mr. HUANG Yuesheng, graduated from Nankai University with a major in business administration and has over 30 years of corporate management experience. With market insight and strategic judgment, he has led the formulation and execution of our growth strategies. Our R&D and innovation capabilities are anchored by a robust R&D team and further strengthened through long-term collaborations with leading academic and clinical institutions. This integrated approach helps align scientific rigor with commercial execution, enabling us to advance our pipeline in a manner consistent with clinical needs, regulatory requirements and market considerations.

We have built a cross-functional R&D organization covering the full drug development lifecycle. As of September 30, 2025, our R&D team comprised 89 professionals with expertise across pharmaceuticals, PK, pharmaceutical analysis, pharmacology, molecular biology, neurobiology, clinical medicine and pharmaceutical engineering. This breadth of capabilities

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enables coordinated execution of key R&D activities, including drug discovery, active component screening, MOA research, process development and scale-up manufacturing, quality system establishment, and clinical research and regulatory filings.

Dr. LIU Zhihua, our deputy general manager, dean of the Institute for Pharmaceutical Innovation and senior director of the New Drug R&D Center of the Institute for Pharmaceutical Innovation, is in charge of our R&D. Dr. LIU Zhihua holds a Ph.D. in pharmaceutics from Peking Union Medical College and has extensive experience in R&D in Natural Medicines and DDS. As of the Latest Practicable Date, Dr. LIU Zhihua has published over ten research papers and holds 44 granted patents. Dr. CHEN Yanmin, director of Biology Center of the Institute for Pharmaceutical Innovation, holds a Ph.D. in biology from Peking University and completed a Peking Union Medical College-Wehand-Bio joint postdoctoral program. Dr. CHEN Yanmin has extensive experience in mechanism research for metabolic diseases and Natural Medicine-based drug discovery and development, and has published over ten papers and holds 14 granted patents as of the Latest Practicable Date. Dr. LIU Yuanyuan, deputy director of Biology Center of the Institute for Pharmaceutical Innovation, holds a Ph.D. in pharmaceutics from Peking Union Medical College and completed a Tsinghua University-Wehand-Bio joint postdoctoral program. Dr. LIU Yuanyuan has extensive experience in reproductive endocrinology and druggability research for Natural Medicines, and has published over ten papers and holds 14 granted patents as of the Latest Practicable Date. Dr. WANG Xingang, senior director of Medical Center of the Institute for Pharmaceutical Innovation, holds a Ph.D. in biology from the National University of Singapore and completed postdoctoral research at A*STAR (Agency for Science, Technology and Research) Singapore. As of the Latest Practicable Date, Dr. WANG Xingang has published over ten papers and holds nine granted patents. Dr. WANG Tingting, deputy director of Medical Center of the Institute for Pharmaceutical Innovation Institute, holds a Ph.D. in biology from Peking Union Medical College and completed a Tsinghua University-Wehand-Bio joint postdoctoral program. As of the Latest Practicable Date, Dr. WANG Tingting has published eight papers and holds 13 granted patents.

OUR STRATEGIES

Advancing Clinical Development of Our Pipeline Products

We plan to continue advancing our clinical stage pipeline by leveraging (i) our understanding of how SZ-A may translate across multiple metabolic-dysregulation-related diseases through indication expansion, and (ii) our strong clinical development execution capabilities. In metabolic diseases, we will continue to advance clinical development of WH007 for PCOS, WH006 for obesity, and WH008 for MASH, while continuing to progress our anti-tumor pipeline, including WH002, our tumor-targeting paclitaxel lipid emulsion candidate.

We intend to actively pursue indication expansion for our Core Products to reach broader patient populations. Specifically, WH007 received IND approval from the NMPA in December 2025 to conduct a Phase II clinical trial for PCOS, and we plan to initiate its Phase II clinical trial in 2026. WH006 received IND approval from the NMPA in November 2023 for obesity, and we completed its Phase I clinical trial in November 2024. After obtaining approval from the ethics committee for conducting Phase II clinical trial, we completed Phase II clinical trial registration and disclosure on the CDE registration platform in August 2025, and initiated Phase II clinical trial. WH002 completed its Phase II clinical trial in November 2025, and we plan to initiate its Phase III clinical trial in 2026. Beyond these core programs, we will continue to advance and expand additional candidates across metabolic diseases, malignant tumors, and inflammatory and immune-related indications.

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Expanding Overseas Commercialization and International Clinical Registration

We have established an overseas strategy centered on Natural Medicines. As of the Latest Practicable Date, we had built an intellectual property portfolio covering over 20 jurisdictions, including Europe, the United States, Japan, Canada and Australia. Going forward, we plan to prioritize international clinical registration and market access for Core Products to extend their commercial reach into global markets.

We plan to explore international registration in jurisdictions. We have identified Southeast Asia as an initial focus given its dietary patterns and diabetes prevalence broadly comparable to China, and the presence of clearer regulatory pathways for modern botanical drugs. For example, we have submitted a registration application in Thailand for mulberry twig alkaloid tablets under the modern botanical drug registration category. As of the Latest Practicable Date, we have not initiated any IND filing or other formal regulatory process in the U.S. and the EU. For details of the regulatory pathway, see “Regulatory Overview — Laws and Regulations in the United States and European Union.”

In parallel, we plan to pursue strategic business development opportunities with overseas pharmaceutical companies and distribution partners that have established local presence. We intend to use a range of collaboration structures, such as out-licensing arrangements and co-promotion partnerships, to accelerate market entry in selected jurisdictions while managing commercialization risk. These partnerships are intended to support our products’ access to international markets and address clinical needs with global relevance.

Enhancing Production Capacity and Efficiency

As market demand grows and commercialization of *Sangbo’en* continues to scale and to lay the foundation for the commercialization of WH007 and WH006, we plan to expand the production capacity of (i) Guangxi SZ-A API production line, and (ii) Beijing SZ-A tablets production line. These upgrades are intended to increase SZ-A output, enhance the level of automation and intelligent manufacturing across our production lines, and better support increasing market demand.

Executing a Targeted Commercialization Strategy

To maximize the commercial value of our Core Products, we are building a targeted and differentiated commercialization model that is closely aligned with each product’s clinical profile.

Academically led, targeted promotion of Sangbo’en: We continue to deepen our understanding of the comprehensive clinical value of *Sangbo’en* and translate academic evidence, medical insights and market feedback into effective medical communication to support broader clinical use. Our academic engagement began with endocrinology and TCM departments and has expanded into specialties involved in common diabetes comorbidity management, including cardiology, nephrology and geriatrics, to strengthen cross-department awareness and clinical dialogue. We also emphasize *Sangbo’en*’s profile of low hypoglycemia risk, limited drug-drug interaction potential, and favorable hepatic and renal safety, to support its use in combination regimens.

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Leveraging established hospital coverage: We plan to utilize our existing network of hospitals and medical institutions to accelerate market entry for newly approved products and build a foundation for broader clinical adoption of follow-on products. For example, for WH006, we plan to complement traditional hospital channels with online retail channels, to strengthen market education and patient awareness while improving reach and conversion efficiency.

From single-product promotion to integrated metabolic-health solutions: We plan to evolve from a single-product focus toward broader metabolic disease management solutions. By extending beyond glycemic management into PCOS, weight management, MASH and other metabolism-related therapeutic areas, we aim to improve patient adherence and brand loyalty, create commercialization synergies across products, and build a platform for long-term growth.

Strengthening Our Interdisciplinary R&D and Commercialization Talent Pipeline

We believe a deep, high-caliber talent pipeline is fundamental to achieving innovation breakthroughs and successful commercialization across metabolic diseases, malignant tumors, and inflammatory and immune-related indications. We plan to continue strengthening recruitment and talent development across key functions, including R&D, management and commercialization. In particular, we will prioritize attracting and developing talent with strong expertise in Natural Medicines R&D, DDS, and international multi-center clinical trial operations, which we view as critical capabilities to support our global development.

To support this effort, we plan to further expand our collaboration with leading research institutions, provide structured internal and external training programs, and maintain a competitive and performance-oriented incentive framework. Through a sustained focus on cross-disciplinary collaboration and organizational coordination, we aim to build a talent ecosystem that supports efficient R&D execution, scalable industrialization and international expansion, and that underpins our long-term innovation capacity and global growth strategy.

OUR COMMERCIALIZED PRODUCT

***Sangbo'en*, Type 2 Diabetes Indication**

Overview

Sangbo'en is a Natural Medicine indicated for the treatment of type 2 diabetes. *Sangbo'en* is currently classified as TCM Category 1.2 (Innovative TCMs (中藥創新藥) — extracts and preparations derived from single plant sources). In addition to its potent glucose-lowering effects, *Sangbo'en* exhibits multiple pharmacological effects that support the extensive metabolic management in diabetic patients. *Sangbo'en* is developed using SZ-A derived from mulberry twigs as API. SZ-A is a group of active components with well-defined material basis, stable and controllable quality, and clear MOA.

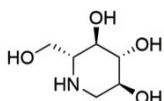
Sangbo'en obtained NDA approval from the NMPA in March 2020, and was included in the NRDL in the same year.

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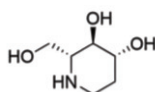
API and Its Active Components

SZ-A consists primarily of small molecule, water-soluble polyhydroxy alkaloids, including (i) DNJ, (ii) FA, and (iii) DAB, with DNJ being the predominant component, accounting for approximately 70.0% of the total alkaloid content.

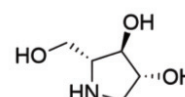
The molecular formulas of the aforementioned three active components of SZ-A are as follows:



DNJ



FA



DAB

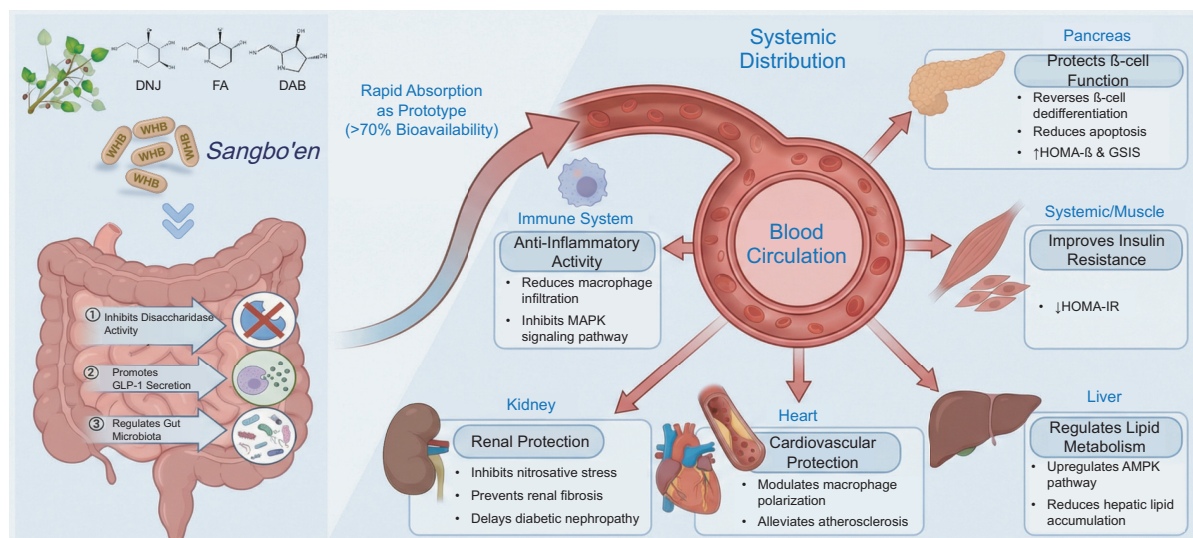
MOA

Sangbo'en effectively lowers postprandial blood glucose (“**PBG**”) by inhibiting glycosidase activity in the intestine and acts on multiple metabolic tissues, including the heart, liver, adipose tissue, kidneys, pancreas, and muscle, exerting a range of pharmacological effects:

- **Protection of islet β -cell function:** *Sangbo'en* reverses pancreatic islet β -cell dedifferentiation, reduces β -cell apoptosis and enhances glucose-stimulated insulin secretion (“**GSIS**”).
- **Improvement of insulin resistance:** *Sangbo'en* improves glucose and lipid metabolism disorders and insulin resistance in prediabetic animals.
- **Anti-inflammatory activity:** *Sangbo'en* reduces ileal inflammation and macrophage infiltration and inhibits the activation of the mitogen-activated protein kinase (the “**MAPK**”) signaling pathway in RAW 264.7 murine macrophage (“**RAW264.7**”) and bone-marrow-derived macrophages (“**BMDM**”).
- **Regulation of lipid metabolism:** *Sangbo'en* reduces hepatic lipid accumulation through the adenosine 5'-monophosphate-activated protein kinase (“**AMPK**”) signaling pathway.
- **Potential cardiovascular and renal benefits:** *Sangbo'en* delays the progression of diabetic nephropathy by inhibiting systemic oxidative stress, exerting anti-inflammatory effects, and preventing renal fibrosis; and alleviate atherosclerosis by regulating macrophage polarization.

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The following diagram illustrates the MOA of *Sangbo'en*:



Our Advantages

We believe that *Sangbo'en* has the following advantages:

- **Robust glycemic control:** *Sangbo'en* has demonstrated potent glucose-lowering effects. In post-marketing Phase IV clinical trial, subjects with higher baseline HbA1c levels experienced greater reductions in HbA1c, with post-treatment HbA1c values trending towards normal.

For subjects with mean baseline HbA1c levels of 8.24% (HbA1c $\geq$ 7.5%), 8.66% (HbA1c $\geq$ 8.0%) and 9.05% (HbA1c $\geq$ 8.5%), following monotherapy with *Sangbo'en*, their HbA1c levels were reduced by 1.33%, 1.80% and 2.09%, respectively. *Sangbo'en* can also be used in dual or triple combination regimens such as MET, sulfonylureas, DPP-4i, and insulin, thereby further improving HbA1c levels. Based on literature findings, *Sangbo'en's* glucose-lowering effects are comparable to widely-used glucose-lowering medications. With similar baseline HbA1c levels and treatment durations, *Sangbo'en* demonstrated a greater mean HbA1c reduction than DPP-4i and Sodium-Glucose Co-Transporter 2 inhibitors (“SGLT2 inhibitors”) and is comparable to oral GLP-1RA formulations.

- **Multiple Clinical Benefits:** (i) Post-marketing Phase IV clinical trial has demonstrated that *Sangbo'en* significantly improves the two core pathophysiological features of type 2 diabetes: β -cell dysfunction and insulin resistance. Following treatment, HOMA- β increased by 15.8% compared to the baseline, suggesting an improvement in pancreatic β -cell function, while HOMA-IR decreased by 16.4% compared to the baseline, suggesting improvement in insulin resistance. Both findings hold significant clinical value in delaying disease progression of diabetes and improving prognosis. (ii) *Sangbo'en* demonstrates efficacy in diabetic kidney disease, a common complication of diabetes. UACR, a marker of kidney injury, reduced by 44.6% after treatment (previous studies have established that a 30% reduction in urinary albumin corresponds to a 23.7% decrease in the risk of end-stage renal disease). In addition, urinary α 1-MG and β 2-MG, markers of tubular injury, showed marked decrease of 34.8% and 33.5%, respectively. (iii) *Sangbo'en* significantly alleviates liver

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impairment. Liver enzyme markers, including alanine aminotransferase (“ALT”), aspartate aminotransferase (“AST”) and gamma-glutamyl transferase (“ γ -GT”), decreased from baseline by 36.4%, 36.8%, and 24.5%, respectively. This is of particular clinical implication for diabetic patients with co-existing MASH.

- **Favorable safety and tolerability:** ADRs of *Sangbo'en* are well-defined and mild in severity, with no severe ADRs observed. The most common ADRs are gastrointestinal in nature. *Sangbo'en* is suitable for long-term treatment, with good safety and efficacy demonstrated also in elderly populations.
- **Convenient oral administration with improved compliance:** *Sangbo'en* is administered orally, which enhances convenience and patient adherence in chronic disease management.
- **Low risk of drug-drug interactions:** The active components of *Sangbo'en* is absorbed into the bloodstream without undergoing liver enzyme metabolism. It exerts its therapeutic effect and is ultimately excreted in its unchanged form through the kidneys, with no impact on liver enzyme activity. As a result, *Sangbo'en* is unlikely to cause drug-drug interactions, making it suitable for combination therapy.

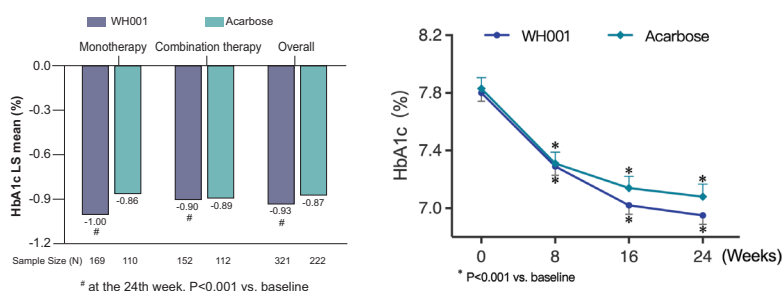
Summary of Clinical Trials of WH001 Sangbo'en

Sangbo'en has completed Phase I, Phase II, Phase IIIa and Phase IIIb registered clinical trials and post-marketing Phase IV clinical trial. The following sets forth an overview of the key clinical trials of *Sangbo'en*:

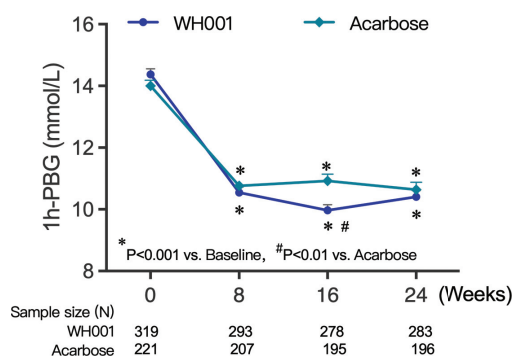
HY-SZ IIIa-Pro-131020-01: A Randomized, Double-Blind, Double-Dummy, Parallel-Controlled Phase IIIa Clinical Trial to Evaluate Efficacy and Safety Profile for WH001 Compared with Acarbose

- **Trial Design:** The clinical trial evaluated changes in HbA1c from baseline, fasting blood glucose (“FBG”) and PBG, as well as the incidence of AEs and SAEs. A total of 600 subjects with type 2 diabetes were enrolled and randomized at a ratio of 3:2 to receive either WH001 or acarbose for a treatment period of 24 weeks.
- **Trial Status:** The clinical trial was initiated in Peking Union Medical College Hospital in China and was completed in July 2015.
- **Efficacy Data:**
 - **Primary efficacy endpoint — significant improvement in HbA1c.** At baseline, mean HbA1c was $7.90 \pm 0.79\%$. After 24 weeks of treatment, the WH001 group achieved a mean HbA1c reduction of 0.93%, compared to 0.87% in the acarbose group with baseline of $7.95 \pm 0.87\%$. In the monotherapy subgroup, HbA1c decreased by 1.0% in the WH001 group, compared to a 0.86% reduction in the acarbose group. In subjects with inadequate glycemic control on MET, combination therapy with WH001 resulted in a 0.9% reduction in HbA1c, compared to a 0.89% reduction with combination therapy with acarbose. With longer treatment duration, WH001 demonstrated a trend toward superior HbA1c reduction.

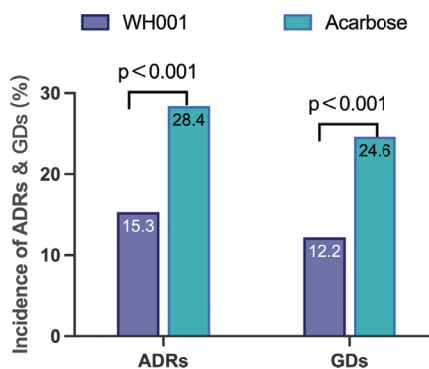
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- o **Secondary efficacy endpoints — target achievement and glycemic control.** After treatment, 47.7% of subjects in the WH001 group achieved HbA1c < 7%, compared with 45.0% in the acarbose group. In addition, treatment with both WH001 and acarbose resulted in significant improvements from baseline in terms of FBG, 1-hour postprandial blood glucose (“**1h-PBG**”), 2-hour postprandial blood glucose (“**2h-PBG**”) and 0-2-hour area under the curve (“**AUC_{0-2h}**”). While no statistically significant differences were observed between the two groups at Week 24, WH001 demonstrated superior glycemic control compared to acarbose at Week 16 in terms of 1h-PBG, indicating a more stable glycemic control.



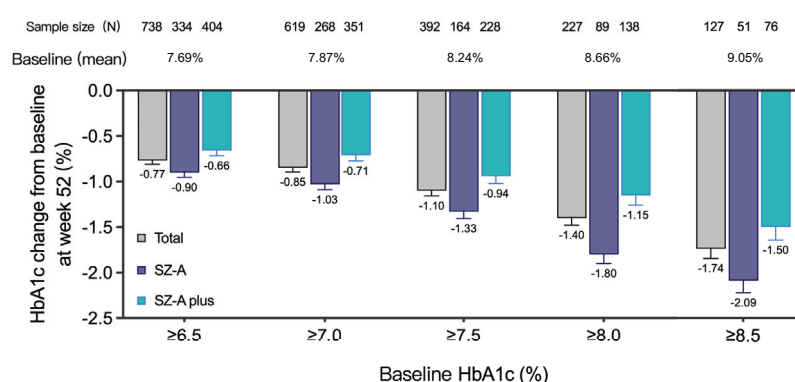
- **Safety Data:** After treatment, the incidence of ADRs was 15.3% in the WH001 group, compared with 28.4% in the acarbose group. The most common ADRs in both groups were gastrointestinal disorders (“**GD(s)**”), with incidence rates of 12.2% for WH001 group and 24.6% for acarbose group. No hypoglycemic events were reported in either group.



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SZ-PIV-401: A Phase IV, Prospective, Single-Arm, Open-Label, Multicenter Clinical Trial to Further Expand the Target Population and Potential Combination Therapies for Sangbo'en, to Confirm Its Long-Term Safety, and to Evaluate Its Clinical Benefits on Kidney and Liver

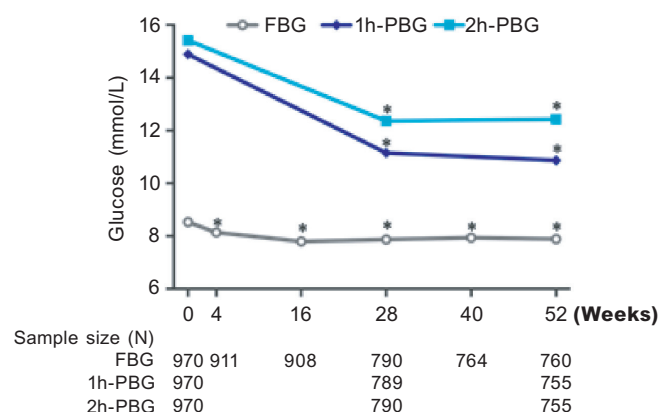
- Trial design:** The primary objectives of the clinical trial were to evaluate the glucose-lowering efficacy of *Sangbo'en* in subjects with varying baseline HbA1c levels, its efficacy when used in combination with either (i) MET, sulfonylureas, DPP-4i, or basal insulin, or (ii) regimens that contain both MET and one of the other medicines listed above, and the long-term safety profile of continuous treatment. A total of 1,000 subjects were enrolled to receive *Sangbo'en* for at least 52 consecutive weeks, either as monotherapy or, for those with suboptimal control on other antidiabetic regimens, in combination therapy. Efficacy endpoint included changes from baseline in HbA1c, HbA1c target-achievement rates, FBG, 1h-PBG, 2h-PBG, and indices of β -cell function and insulin resistance, UACR and liver enzymes. Safety assessments included clinical signs and symptoms, AE and laboratory parameters.
- Trial status:** The clinical trial was initiated in Shanghai Sixth People's Hospital and Peking Union Medical College Hospital. Data verification for this clinical trial has been completed, and statistical analysis was finalized in January 2026. The final clinical report is expected to be completed in March 2026.
- Efficacy data:**
 - The primary efficacy endpoint — significant improvement in HbA1c:** Subjects with higher baseline HbA1c experienced greater reductions in HbA1c, and after 52 weeks of treatment, HbA1c values trended towards normal, as shown in the figure below:



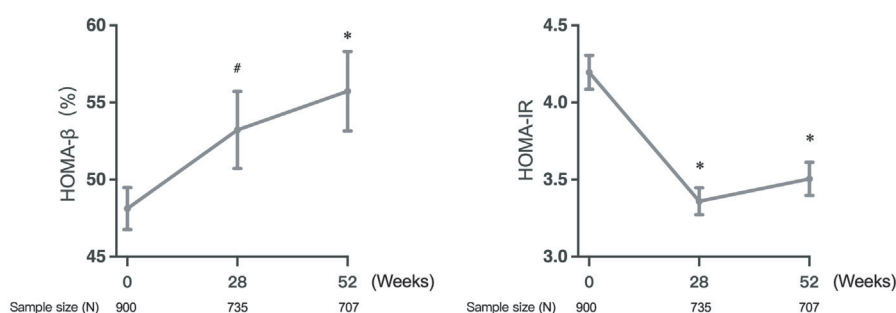
Monotherapy with *Sangbo'en* demonstrated potent glucose-lowering effects. It can also be used in combination with MET, sulfonylureas, DPP-4i, insulin, or regimens that contain both MET and one of the other medicines listed above, thereby further improving HbA1c levels and demonstrating complementary effects with other medications. Based on literature findings, *Sangbo'en*'s glucose-lowering effects are comparable to widely-used glucose-lowering medications. With similar baseline HbA1c levels and treatment durations, *Sangbo'en* demonstrated a greater mean HbA1c reduction than DPP-4i and SGLT2 inhibitors, and is comparable to oral GLP-1RA formulations.

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- o *Secondary efficacy endpoint:* After 52 weeks of treatment, the HbA1c target-achievement rate was sustained at above 60% in the overall population, FBG decreased by 0.68 ± 2.15 mmol/L, 1h-PBG decreased by 4.11 ± 3.82 mmol/L and 2h-PBG decreased by 3.00 ± 3.68 mmol/L. The following figure shows the temporal changes in measured blood glucose values (mean $\pm$ Standard Error (“SE”)).



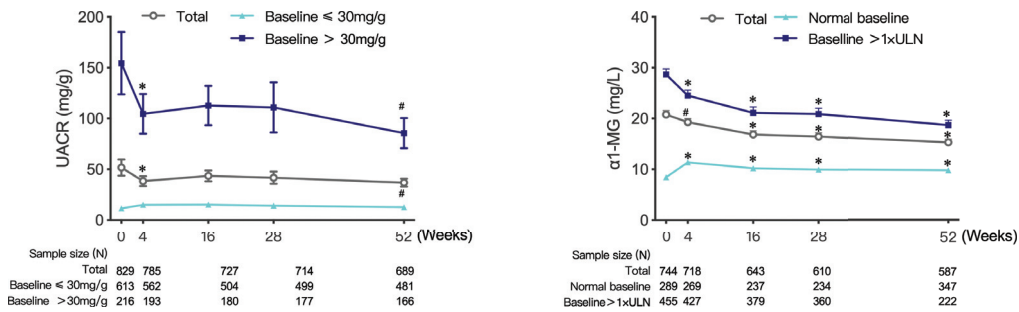
After 52 weeks of treatment, the mean value of HOMA- β increased by 15.8% compared to baseline, with an average change of 8.17 ± 64.3 , suggesting an improvement in pancreatic β -cell function, and the mean value of HOMA-IR decreased by 16.4% compared to baseline, with an average change of -0.72 ± 3.56 , suggesting improvement in insulin resistance. Figures below show the mean values of HOMA- β and HOMA-IR before and after treatment.



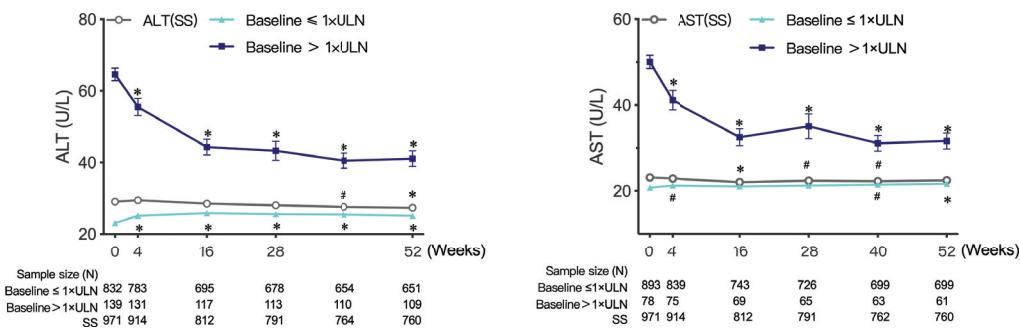
In subjects with albuminuria at baseline, UACR decreased from 154.47 mg/g at baseline to 85.64 mg/g after treatment. The abnormal baseline levels of α 1-MG and β 2-MG also significantly decreased. The relative reductions in UACR, α 1-MG, and β 2-MG compared to baseline were 44.6%, 34.8%, and 33.5%, respectively. This suggests a reduction in both glomerular and tubular kidney damage. The following figure shows the temporal changes in measured values of

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UACR and α 1-MG for populations with normal and abnormal baseline levels (mean $\pm$ SE).



In subjects with abnormal liver enzymes or elevated serum uric acid at baseline, both liver enzyme levels and serum uric acid decreased after treatment. The relative reductions in ALT, AST and γ -GT compared to baseline were 36.4%, 36.8%, and 24.5%, respectively. The relative reduction in serum uric acid was 4.2%. These findings suggest that liver damage and hyperuricemia may have improved. The following figure shows the temporal changes in measured values of ALT and AST for the overall population, as well as for subgroups with baseline ALT and AST $\leq 1 \times$ Upper Limit of Normal (“ULN”) and $> 1 \times$ ULN. Data are presented as mean $\pm$ SE.



- **Safety data:** The overall incidence of ADRs was 17.4%. The majority of ADRs were GDs, with an incidence of 14.7%, and no severe ADRs were observed. The only ADR occurring in more than 5% of subjects was diarrhea (5.6%). The pattern and incidence of ADRs observed during 52 weeks of treatment were generally consistent with those reported during the 24-week treatment period in Phase II and Phase III clinical trials, with no new safety risks identified.

OUR CORE PRODUCTS

WH007, PCOS Indication

Overview

WH007 is a Natural Medicine candidate developed by us using SZ-A as the API and is intended for PCOS. WH007 is classified as TCM Category 2.3 (Modified New Drugs of TCMs (中藥改良型新藥) — TCM drugs with expanded indications). Preclinical studies have shown

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that WH007 significantly improves estrous cycles, polycystic ovary morphology, and metabolic abnormalities, regulates hormone levels, and restores fertility. In IIT, WH007 has been shown to significantly improve the menstrual cycle and FAI in patients.

WH007 obtained the IND approval from the NMPA in December 2025 to conduct Phase II clinical trial.

MOA

The expected therapeutic effect of WH007 on PCOS is primarily attributable to its systemic tissue distribution following oral administration and its direct regulatory effect on relevant target tissues, rather than reliance on intestinal glucosidase inhibition. Building on previous PK studies of SZ-A for type 2 diabetes, further liquid chromatography-tandem mass spectrometry (“LC-MS/MS”) analysis was conducted to investigate the distribution of DNJ, FA, and DAB, active components of SZ-A, in PCOS-relevant target tissues. The results showed that these active components were found to be distributed in the ovary, uterus, hypothalamus and pituitary tissues, providing a PK basis for the regulation of HPO axis function and potential therapeutic effects.

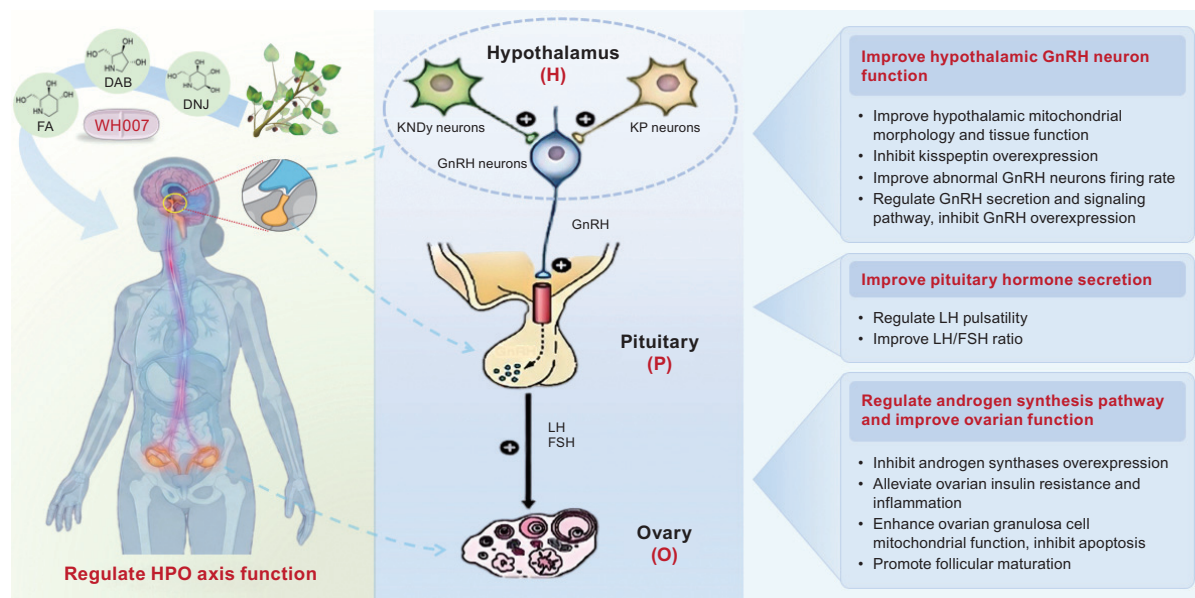
Dysregulation of the HPO axis is a core pathogenic mechanism of PCOS: (i) abnormal hypothalamic function along with excessive secretion of kisspeptin (“KP”) by KP neurons results in abnormal firing of GnRH neurons and an increased frequency of pulsatile GnRH release, which subsequently causes (ii) dysregulated pulsatile secretion and overproduction of luteinizing hormone (“LH”) by the pituitary gland, leading to (iii) excessive ovarian androgen production mediated by LH and ultimately contributing to the development of PCOS.

Mechanistic studies revealed that WH007 can regulate the HPO axis through multiple pathways:

- **Improvement of hypothalamic function:** WH007 improves abnormal mitochondrial morphology and tissue function in the hypothalamus, suppresses excessive secretion of KP by KP neurons upstream of GnRH, alleviates abnormal firing of GnRH neurons, and modulates GnRH secretion and related signaling pathways, thereby inhibiting excessive GnRH expression.
- **Improvement of pituitary function:** WH007 modulates the pulsatile secretion frequency of LH from the pituitary and improves the LH/FSH ratio.
- **Improvement of ovarian function:** (i) WH007 suppresses the overexpression of androgen synthases, including steroidogenic acute regulatory protein (“STAR”), cytochrome P450 17A1 (“CYP17A1”), and 3 β -hydroxysteroid dehydrogenase (“3 β -HSD”), (ii) WH007 alleviates ovarian insulin resistance and inflammation by modulating the insulin receptor substrate 1 (“IRS1”)/protein kinase B (“AKT”)/AMPK pathway and the inhibitor of nuclear factor kappa B (“IKB”)/nuclear factor kappa B (“NF κ B”)-related pathways, (iii) WH007 inhibits hyperandrogen-induced granulosa cell apoptosis and promotes follicular maturation by preventing pathological opening of the mitochondrial permeability transition pore (“MPTP”) and enhancing adenosine triphosphate (“ATP”) synthesis.

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The following diagram illustrates the MOA of WH007:



Market Opportunity and Competition

PCOS is a common reproductive endocrine and metabolic disorder among women of reproductive age, characterized by hyperandrogenism, oligomenorrhea or amenorrhea (manifesting as infrequent or absent ovulation), and polycystic ovarian morphology. It is one of the leading causes of female infertility and is also considered a risk factor for endometrial cancer and certain other conditions. According to CIC, in China, the prevalence of PCOS among women of reproductive age is estimated to be approximately 7.8%, translating into 34.4 million patients in 2024, and this number is projected to reach 37.6 million by 2032, representing a CAGR of 1.1%.

The pathogenesis of PCOS is complex, with dysfunction of the HPO axis at the core. According to CIC, as of the Latest Practicable Date, no pharmacological therapies have been approved globally with a specific indication for PCOS. Current clinical management primarily are largely symptom-oriented, including (i) the use of oral contraceptives to reduce hyperandrogenism and regulate menstruation (which induce withdrawal bleeding but do not restore ovulation), (ii) MET to improve metabolism (with limited effects on menstrual cyclicity and ovulation rates), or (iii) letrozole and other ovulation-inducing drugs. These existing therapies fail to target the core pathological mechanisms of PCOS and therefore cannot fundamentally treat the disease, nor do they meet the clinical requirements of PCOS patients seeking natural conception and childbirth.

We believe that WH007 has the potential to (i) address both symptoms and underlying disease mechanisms of PCOS, and (ii) restore natural conception and fertility.

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Our Advantages

We believe that WH007 has the following advantages:

- **Targeting core pathophysiological mechanisms of PCOS rather than providing symptomatic relief:** WH007 has a system-level therapeutic profile that regulates HPO axis dysfunction. Rather than focusing on isolated symptoms or single hormonal endpoints, WH007 is designed to address multiple interrelated pathological features of PCOS in an integrated manner and provides a more durable clinical benefit. As a result, WH007 better aligns with the long-term management needs of PCOS patients.
- **Restoring natural fertility and enhancing pregnancy outcomes:** Animal studies have demonstrated that WH007 significantly reduces the number of cystic follicles in ovarian tissue, promotes the development of mature follicles, significantly increases pregnancy rates and litter size at first parity, and markedly reduces adverse pregnancy outcomes such as stillbirths and stillbirth rates.
- **Verified favourable clinical signals:** Multicenter IIT have shown that, compared with placebo under strict lifestyle intervention, WH007 significantly reduces FAI, regulates menstrual cycles, and improves metabolic abnormalities in PCOS patients.
- **Favorable safety profile with no reproductive toxicity:** Reproductive toxicity studies covering the full fertility cycle have demonstrated that at the highest doses evaluated in systemic safety assessments, WH007 did not exhibit reproductive toxicity on fertility and early embryonic development, embryo-fetal development, or peri- and postnatal development in rats. Clinical safety data from IIT studies indicate that WH007 is generally well tolerated, with the most commonly reported AEs being mild gastrointestinal discomfort, which typically resolves or alleviates without medical intervention.

Summary of IIT of WH007

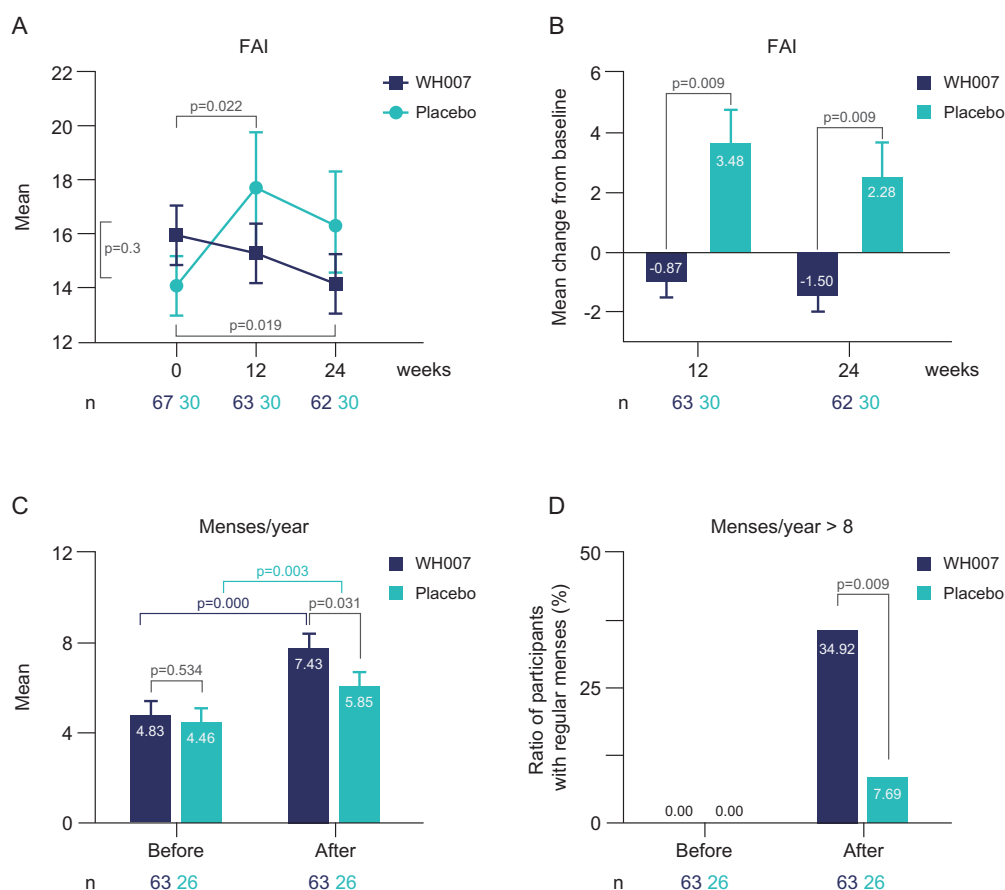
WH007 has completed an IIT in November 2024.

A Randomized, Double-Blind, Multi-Center, Placebo-Controlled, Parallel-Group IIT to Evaluate Efficacy and Preliminary Safety Profile for Treatment of PCOS of WH007 Compared with Placebo

- **Trial design:** Based on the clinical characteristics of PCOS patients in China, we enrolled subjects with different PCOS phenotypes (Types A, B, C and D) and varying BMI (including normal, overweight and obese). The trial assessed multiple parameters, including FAI, menstrual cycle, metabolic parameters and various sex hormone levels. 128 women of reproductive age (18 to 45 years old) diagnosed with PCOS were enrolled. Subjects were randomized in a 2:1 ratio to receive either WH007 (100 mg tid) or placebo. The treatment period was 24 weeks, with follow-up visits every four weeks.
- **Trial status:** The IIT was initiated in Wuxi People’s Hospital in China in August 2022 and was completed in November 2024.
- **Efficacy data:** After 24 weeks of treatment, WH007 significantly reduced FAI levels in PCOS patients compared with placebo (see A and B in the following figure), while also leading to a statistically significant improvement in menstrual cycle. Both the

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mean frequency of menses/year and the ratio of participants with regular menses increased significantly (see C and D in the following figure). In addition, BMI and postprandial insulin levels after 30 minutes of administration showed significant improvements. These results indicate that WH007 has demonstrated favorable therapeutic effects on both the clinical manifestations and metabolic abnormalities in PCOS patients.



- Safety data:** WH007 demonstrated favorable safety characteristics. The overall incidence of ADRs was 18.2% in the WH007 group and 15.0% in the placebo group, with no statistical difference between the two groups. All ADRs observed in both groups were mild in severity, and no SAEs occurred during the treatment period. Compared with placebo group, the common ADRs observed in the WH007 group were GDs, such as diarrhea and abdominal distention, with an incidence of 8.0% in the WH007 group and 2.5% in the placebo group.

Clinical Development Plan

We plan to initiate a Phase II, randomized, double-blind, placebo-controlled, multicenter clinical trial of WH007 in subjects with PCOS meeting the diagnostic criteria in 2026 in Peking Union Medical College Hospital. We expect to complete the Phase II clinical trial in 2027 and initiate a Phase III clinical trial in 2028.

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Licensing, Rights and Obligations

WH007 is independently developed by us. We maintain the exclusive global rights to develop, manufacture and commercialize WH007.

Material Communication with Competent Authorities

Our communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for WH007 are outlined as follows:

- In November 2023, we submitted the first pre-IND application to the CDE, primarily to discuss the clinical positioning and differentiation of WH007 for the treatment of PCOS, the proposed clinical development plan, and the feasibility of sharing the Phase I clinical trial results of WH006.
- In November 2024, based on the Phase I clinical trial results of WH006 and the IIT results of WH007, we submitted the second pre-IND application to the CDE to further discuss clinical trial design and the selection of efficacy endpoints.
- In July 2025, we formally submitted the IND application for Phase II clinical trial to the CDE based on pre-IND communications. Given the completed Phase I clinical trial of WH006, which was sufficient to satisfy the Phase I requirements of WH007 in terms of target population, administration method and tolerable dosage, WH007 is deemed to have met the Phase I clinical trial requirement and is not required to conduct a separate Phase I clinical trial.
- In December 2025, we obtained the IND approval from the NMPA to conduct Phase II clinical trial.

We had not received any relevant regulatory agency’s concerns or objections to our clinical development of WH007 as of the Latest Practicable Date, nor had any material unexpected or adverse changes occurred since the date of issue of relevant regulatory approvals for WH007.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET WH007 SUCCESSFULLY.

WH006, Obesity Indication

Overview

WH006 is a Natural Medicine candidate developed by us using SZ-A as the API and is intended for obesity. WH006 is classified as TCM Category 2.3 (Modified New Drugs of TCMs (中藥改良型新藥) — TCM drugs with expanded indications). Preclinical studies have shown that WH006 is expected to become an optimal choice for oral weight-loss medication, as it promotes lipid metabolism, reduces lipid synthesis, helps control the preference for high-fat foods, reduces body fat while preserving muscle mass, increases bone mineral density, and offers a good safety profile along with convenient administration.

WH006 obtained the IND approval from the NMPA in November 2023 and completed Phase I clinical trial in November 2024. After approval from the ethics committee for conducting Phase II clinical trial, we completed Phase II clinical trial registration and disclosure on the CDE registration platform in August 2025, and initiated Phase II clinical trial.

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MOA

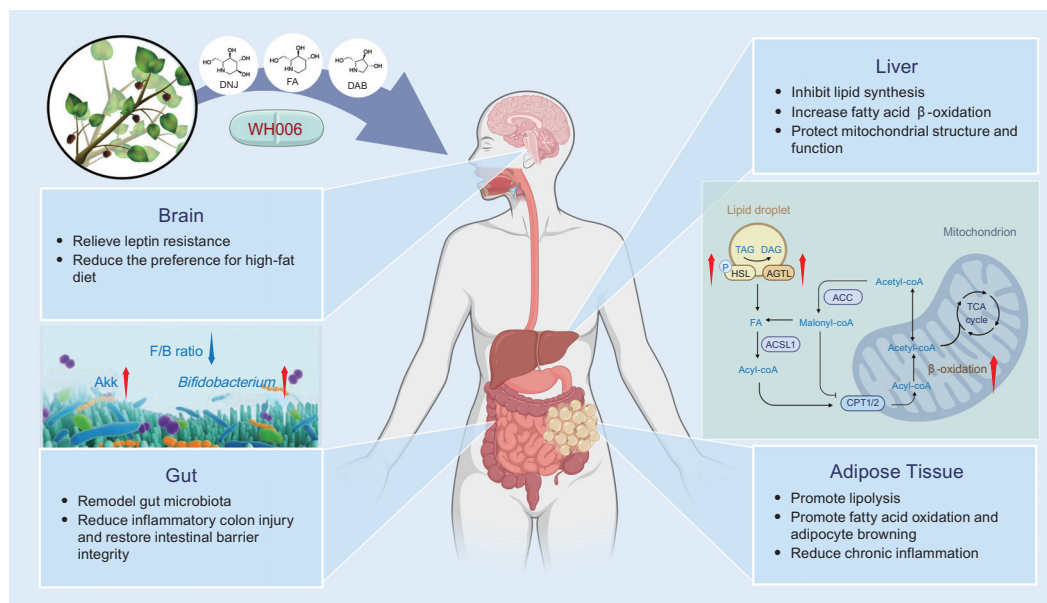
The expected therapeutic effect of WH006 on obesity is primarily attributable to its systemic tissue distribution following oral administration and its direct regulatory effect on relevant target tissues, rather than reliance on intestinal glucosidase inhibition. Tissue distribution studies targeting obesity-related tissues using LC-MS/MS technology demonstrated that in addition to the distribution in the gastrointestinal tract, the major active components of SZ-A (DNJ, FA, and DAB) were also distributed across multiple tissues, including the liver, kidneys, brain, pancreas, brown adipose tissue, abdominal adipose tissue, subcutaneous adipose tissue, heart, spleen, lungs, muscle, and the aorta. Among these, the highest levels were observed in the liver, kidneys, adipose tissues, and the aorta, providing a material basis for the weight-reducing and lipid metabolism-modulating effects of WH006.

The mechanistic research has demonstrated that WH006 exerts extensive weight-loss effects via a coordinated “gut-liver-adipose-brain” axis, with the following synergistic mechanisms:

- **Gut:** WH006 remodels the gut microbiota by reducing the Firmicutes/Bacteroidetes (“F/B”) ratio, upregulating the abundance of *Akkermansia* (“Akk”) and *Bifidobacterium*, reducing inflammatory colon injury and restoring intestinal barrier integrity.
- **Liver:** WH006 downregulates the rate-limiting enzyme stearoyl-CoA desaturase 1 (“SCD1”) and reduces lipid synthesis. WH006 promotes the deacetylation of long-chain acyl-CoA dehydrogenase (“ACADL”) in a sirtuin 3 (“SIRT3”)-dependent manner to enhance mitochondrial fatty acid β -oxidation. WH006 also preserves mitochondrial structure and function.
- **Adipose tissue:** WH006 upregulates adipose triglyceride lipase (“ATGL”) and phosphorylated hormone-sensitive lipase (“p-HSL”) expression to promote lipolysis. WH006 upregulates the phosphorylated-AMPK/phosphorylated-acetyl-CoA carboxylase (“ACC”) pathway and PPAR α to promote fatty acid oxidation and browning of white adipose tissue. WH006 also alleviates chronic inflammation in adipose tissue.
- **Brain:** WH006 ameliorates hypothalamic leptin resistance and reduces preference for high-fat diets.

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The following diagram illustrates the MOA of WH006:



Market Opportunity and Competition

Obesity is a chronic and multifactorial metabolic disease characterized by excessive accumulation of body fat, which results from an imbalance between energy intake and expenditure. It is a major risk factor for cardiovascular diseases, type 2 diabetes, musculoskeletal disorders, and certain cancers. According to CIC, the prevalence of obesity among Chinese adults has been steadily rising, with approximately 277.4 million obese patients in 2024, and this number is projected to reach 330.3 million by 2032, representing a CAGR of 2.2%.

Current research and development of weight-loss drugs has shifted towards multi-target receptor agonists, with the aim of regulating energy intake while boosting metabolism and energy expenditure, and inhibiting lipid synthesis. However, the development of multi-target therapies presents significant challenges. First, achieving an appropriate safety profile requires precise balancing of receptor activation, as excessive or unbalanced stimulation of individual targets may increase safety risks. Second, challenges remain with respect to routes of administration and cost. Most existing therapies are injectable and relatively expensive, which may adversely affect patient adherence. In addition, currently available therapies may be associated with GDs, potential weight regain following treatment discontinuation, and risks of lean mass loss.

In light of the above, we believe that WH006 is a promising oral therapeutic candidate for the treatment of obesity.

BUSINESS

Our Advantages

We believe that WH006 has the following advantages:

- ***Healthy and scientific weight management:*** Through coordinated modulation of the gut-liver-adipose-brain axis, WH006 effectively increases energy expenditure, inhibits lipid synthesis, and lowers the preference for high-fat foods, facilitating effective body weight and fat distribution regulation while minimizing the risk of weight rebound after stopping the treatment.
- ***Preservation of muscle mass and improvement of basal metabolic rate:*** WH006 operates through a distinct mechanism that enables a selective reduction of fat tissue while preserving lean muscle content. This effect could support sustained metabolic health and mitigate common concerns of muscle loss during weight management. This makes WH006 particularly suitable for long-term metabolic management.
- ***Benefits on bone metabolism and bone density:*** WH006 increases bone mineral density by modulating the balance between osteoblast-mediated bone formation and osteoclast-mediated bone resorption. Such benefits could offer additional therapeutic value, particularly for elderly or female obese patients who commonly face increased risk of osteoporosis.
- ***Favorable safety profile and convenient administration:*** Unlike centrally acting appetite-suppressing anti-obesity drugs, WH006 avoids adverse central nervous system-related side effects such as anxiety, insomnia, nausea, and anorexia. This favorable safety profile and oral administration may further enhance suitability for chronic administration.
- ***Multi-pathway metabolic intervention with broad combinational potential:*** Beyond weight reduction, WH006 demonstrates benefits in ameliorating hyperglycemia, hyperlipidemia, and fatty liver disease. This broader metabolic intervention profile suggests WH006 may be particularly suitable for the management of obesity-related metabolic syndrome and may offer potential for use in combination with other therapeutic agents.

Summary of Clinical Trials of WH006

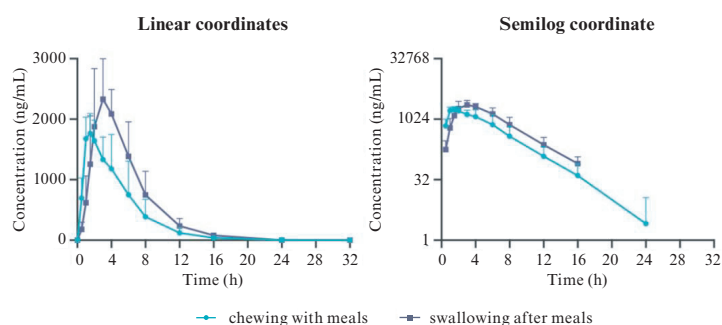
WH006 has completed Phase I clinical trial in 2024, and is currently undergoing Phase II clinical trial.

WH006-1-101: A Phase I, Randomized, Open-Label, Two-Period Crossover, Exploratory Clinical Trial to Evaluate Safety, Human Tolerability and PK Characteristics of WH006 in Healthy, Overweight or Obese Subjects

- ***Trial design:*** The clinical trial was sponsored and conducted by us. A total of 62 subjects were enrolled, including healthy subjects and overweight or obese subjects. The primary objectives were to (i) evaluate the PK characteristics of WH006 in healthy subjects when chewing with meals or swallowing after meals; (ii) assess the safety, tolerability, and PK characteristics of WH006 under single-dose escalation (“SAD”) administration in healthy subjects; and (iii) assess the safety, tolerability, and PK characteristics of WH006 under multiple-dose escalation (“MAD”) administration in healthy subjects and in overweight or obese subjects. The clinical trial consisted of three parts:

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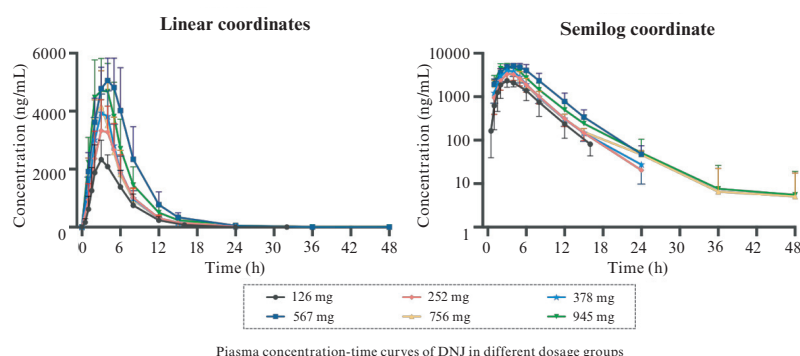
- **Comparative PK study of chewing with meals versus swallowing after meals:** Healthy subjects received a single 126 mg dose, administered either by chewing with meals or swallowing after meals, to compare the PK characteristics between the two administration methods. This part provided support for changing the administration method from chewing with meals (administration method of *Sangbo'en* for type 2 diabetes to enhance glucosidase inhibition) to swallowing after meals.
- **SAD tolerability and PK study:** Healthy subjects receive a single oral dose administered by swallowing after meals, starting at 567 mg and escalating to 756 mg and 945 mg (1134 mg was planned but not administered), to evaluate tolerability, safety, and PK characteristics.
- **MAD tolerability and PK study:** Healthy subjects and overweight or obese subjects received a single oral dose administered by swallowing after meals on Day one, followed by multiple dosing from Day two to Day eight for seven consecutive days (252 mg tid or 378 mg tid), to evaluate safety, tolerability, and PK characteristics.
- **Trial status:** The Phase I clinical trial was initiated in Peking University First Hospital in China in May 2024 and completed in November 2024.
- **Safety data:** WH006 demonstrated favorable safety and tolerability across all doses, with no SAEs observed. The most frequently reported AEs were mild GDs, predominantly diarrhea. The incidence of diarrhea was 0% (0/6) in the single-dose 126 mg group. As the single dose increased to 567 mg and 756 mg, the incidence of diarrhea increased to 100% (6/6) and 83.3% (5/6), respectively. Diarrhea was primarily observed during the first two days of dosing for 252 mg tid and 378 mg tid groups, and generally began to alleviate after three days. No specific treatment was required, and symptoms were gradually tolerated by the subjects.
- **PK data:**
 - **Swallowing after meals resulted in an exposure higher than chewing with meals:** Following a single 126 mg dose in healthy subjects, swallowing after meals resulted in significantly higher exposure of DNJ compared with chewing with meals, with maximum plasma concentration (“C_{max}”) and area under the curve (“AUC”) increased by 1.4 times and 1.5 times, respectively.



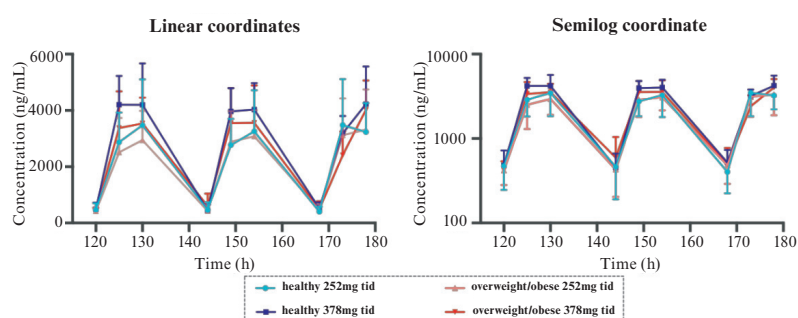
Average plasma concentration-time curves of DNJ following chewing and swallowing administration

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- **Exposure increased with dose within a certain dose range:** After single dose administration swallowing after meals in healthy subjects, the time to peak concentration (“ T_{max} ”) of DNJ was generally consistent across dose groups. In the dose range of 126–567 mg, exposure increased with increasing dose. In the dose range of 567–945 mg, no apparent increase in exposure was observed, indicating potential absorption saturation.



- **Similar PK characteristics in healthy and obese or overweight subjects:** Following multiple dose administration swallowing after meals of 252 mg and 378 mg WH006 tablets, the PK characteristics of DNJ, DAB, and FA were generally comparable between healthy subjects and obese or overweight subjects.
- **Achievement of steady-state plasma concentrations after five days of multiple dosing, with no risk of tissue accumulation:** Steady-state plasma concentrations were achieved after five days tid. The median T_{max} of DNJ ranged from three to four hours, the average half-life (“ $t_{1/2}$ ”) ranged from 2.75 to 3.30 hours, and the mean residence time (“ $MRT_{0-\infty}$ ”) was approximately five to six hours.



Clinical Development Plan

As of the Latest Practicable Date, we had initiated a Phase II, randomized, double-blind, placebo-controlled, multicenter clinical trial of WH006 in subjects who are obese or overweight with at least one comorbidity (including hyperlipidemia, impaired glucose tolerance or hypertension) in Affiliated Beijing Chaoyang Hospital of Capital Medical University in China. We expect to complete the Phase II clinical trial in 2027 and initiate a Phase III clinical trial in 2028.

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Licensing, Rights and Obligations

WH006 is independently developed by us. We maintain the exclusive global rights to develop, manufacture and commercialize WH006.

Material Communications with Competent Authorities

Our communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for WH006 are outlined as follows:

- In December 2022, we submitted a pre-IND application to the CDE for the use of WH006 in obesity indication.
- In July 2023, we formally submitted the IND application to the NMPA.
- In November 2023, we obtained IND approval issued by the NMPA.
- In May 2024, we initiated Phase I clinical trial, which was completed in November 2024.
- In August 2025, we completed Phase II clinical trial registration and disclosure on the CDE registration platform, and initiated Phase II clinical trial.

We had not received any relevant regulatory agency’s concerns or objections to our clinical development of WH006 as of the Latest Practicable Date, nor had any material unexpected or adverse changes occurred since the date of issue of relevant regulatory approvals for WH006.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET WH006 SUCCESSFULLY.

WH002, Neoadjuvant Treatment for Breast Cancer

Overview

WH002 is a paclitaxel-cholesterol conjugated tumor-targeting lipid emulsion, formulated based on a lipid nanocarrier technology. This technology is built on cholesterol-based supramolecular complexes. WH002 is classified as Category 2.2 Modified New Chemical Drug (化學藥品改良型新藥) — known active ingredient with new dosage form. Through the construction of a paclitaxel-cholesterol supramolecular complex. The supramolecular complex is confined within the internal oil phase, forming a cholesterol-rich oil-in-water lipid emulsion with uniform average particle size. WH002 has favorable tumor tissue accumulation, penetration and tumor cell targeting, accompanied by lower systemic toxicity, an increased tolerated dose and significant improved anti-tumor activity.

We plan to focus WH002 on neoadjuvant treatment for Luminal subtype breast cancer. WH002 obtained the IND approval from the NMPA in April 2019, with its Phase I clinical trial completed in December 2023, and its Phase II clinical trial completed in November 2025. We intend to initiate the Phase III clinical trial in 2026.

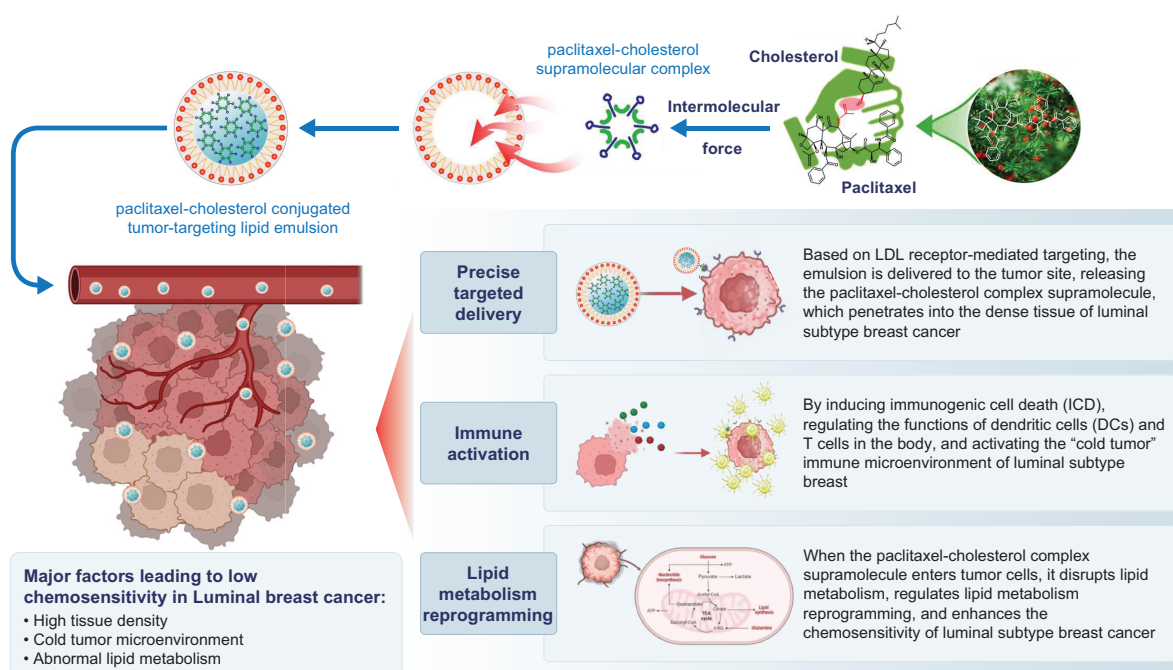
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MOA

The therapeutic mechanism of WH002 is characterized by synergistic multiple effects of targeted delivery, immune activation and lipid metabolism reprogramming regulation:

- Precise tumor-targeted drug delivery:** Leveraging the nano-scale effect and the high expression of low-density lipoprotein (“LDL”) receptors on tumor cells, WH002 preferentially accumulates in tumor tissue and exhibits favorable tissue penetration and tumor cell uptake. This enables efficient targeted delivery to both tumor tissue and tumor cells, providing a foundation for reduced systemic toxicity and an increased tolerated dose.
- Tumor microenvironment remodeling and immune activation via ICD induction:** While inducing tumor cell apoptosis, WH002 triggers ICD-related events, promoting tumor antigen release as well as dendritic cell uptake and antigen presentation. This process facilitates the activation of an otherwise immunologically “cold” tumor microenvironment into more immune-responsive states and enhances T cell-mediated antitumor immune responses. Such immune activation may improve low-infiltration tumor microenvironments and provides a mechanistic basis for the improvement of chemotherapy sensitivity and potential combination strategies with immunotherapy or endocrine therapy.
- Regulation of lipid metabolism reprogramming:** The paclitaxel-cholesterol supramolecular complex released by WH002 disrupts cholesterol homeostasis in tumor cells and modulates membrane lipid composition and lipid raft microenvironments. This mechanism is particularly relevant for the treatment of Luminal subtype breast cancer, which is characterized by active lipid metabolism.

The following diagram illustrates the MOA of WH002:



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Market Opportunity and Competition

Breast cancer is the most common tumor among women worldwide and a leading cause of cancer-related mortality. According to CIC, in 2024, there were approximately 2.4 million newly diagnosed cases of breast cancer worldwide. HER2-negative breast cancer accounted for approximately 77.0%–80.0% of all cases, of which around 80.0% were HR-positive Luminal subtype, and approximately 20.0% were HR-negative triple-negative subtype. Approximately half of the patients with HER2-negative breast cancer were early-stage breast cancer patients with high risk factors. According to clinical guidelines, such patients should receive neoadjuvant treatment prior to surgery.

Currently, the neoadjuvant treatment based on paclitaxel has demonstrated favorable efficacy in patients with HER2-positive and triple-negative breast cancer. However, in patients with HR-positive Luminal subtype breast cancer, due to insensitivity to chemotherapy, the tpCR of conventional paclitaxel injections or nano-formulations for neoadjuvant treatment is typically below 10%, and the challenge of preoperative neoadjuvant therapy for Luminal subtype breast cancer has become a significant clinical need globally. In addition, according to CIC, as of the Latest Practicable Date, although paclitaxel preparations have been used in the field of neoadjuvant treatment, none of them has been approved for the indication of neoadjuvant treatment for breast cancer.

We believe WH002 has the potential to provide a new treatment option for the breast cancer patient population whose clinical morbidity is the highest, namely those with Luminal subtype. According to CIC, WH002 has the potential to become the first paclitaxel-based formulation globally approved for the indication of neoadjuvant treatment for breast cancer.

Our Advantages

We believe that WH002 has the following advantages:

- ***Elimination of hypersensitivity reactions without the need for steroid premedication:*** The formulation of WH002 does not contain Cremophor, thereby eliminating Cremophor-related hypersensitivity reactions and removing the need for steroid premedication in clinical practice. This advantage has been validated in the Phase I clinical trial.
- ***Targeted delivery enabling a higher tolerated dose and reduced toxicity:*** Preclinical studies demonstrated stepwise targeted delivery to tumor tissue and tumor cells, resulting in significantly reduced systemic toxicity and a markedly increased tolerated dose with enhanced antitumor efficacy. Phase I clinical trial results showed a maximum tolerated dose (“MTD”) exceeding 345 mg/m², which is substantially higher than that of conventional paclitaxel injections.
- ***No complex reconstitution and convenient administration:*** According to CIC, WH002 is the world’s first paclitaxel nanoformulation in a small-volume infusion format that is compatible with terminal moist-heat sterilization. Unlike albumin-bound nanoparticles, micelles, liposomal formulations or other marketed paclitaxel nanoformulations, WH002 does not require complex reconstitution procedures, improving ease of use and reducing preparation- and infusion-related risks.
- ***Breakthrough in indication positioning:*** WH002 is positioned for neoadjuvant treatment for breast cancer. Phase II clinical trial results showed superior efficacy in Luminal subtype breast cancer, which represents the largest proportion of breast

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cancer patients. According to CIC, WH002 has the potential to become the first paclitaxel-based formulation globally approved for the indication of neoadjuvant treatment of breast cancer, and to address the global need for effective neoadjuvant treatment for Luminal subtype breast cancer.

Summary of Clinical Trials of WH002

WH002 has completed Phase I clinical trial in December 2023 and completed Phase II clinical trial in November 2025. We plan to initiate Phase III clinical trial in 2026.

CS3053: A Phase I, Multicenter and Open-Labeled Clinical Trial to Evaluate Safety, Tolerability and PK Characteristics of WH002 on Subjects with Late-Stage Solid Tumors

- **Trial design:**
 - The clinical trial was sponsored and conducted by us. This clinical trial aimed at evaluating safety, tolerability and PK characteristics of WH002 in subjects with late-stage solid tumors, to determine the MTD, the recommended dose (“RD”) and the dose-limiting toxicity (“DLT”).
 - The clinical trial consisted of six dose groups (80 mg/m², 175 mg/m², 230 mg/m², 260 mg/m², 300 mg/m², 345 mg/m²), with three subjects in each group. A “sentinel” design was adopted: the first subject in each group received steroid premedication prior to the first administration. If no significant allergic reactions occurred, subsequent administrations were to be conducted without steroid premedication, and the remaining subjects in the group also completed all treatment cycles without premedication. This design was intended to evaluate the safety of WH002 without steroid desensitization.
 - Primary endpoints included the determination of MTD and RD of WH002 in subjects with late-stage solid tumors. Secondary endpoints included the types and frequencies of AEs during the treatment period.
 - Key PK indicators include T_{max}, C_{max} and AUC.
- **Trial status:** The Phase I clinical trial was initiated in Affiliated Hospital of Hebei University in China in April 2022 and completed in December 2023.
- **Safety data:** After the removal of steroid premedication, no SAEs or DLT events occurred in any subject during the DLT observation period, and no acute hypersensitivity reactions were observed, demonstrating a favorable safety profile. The most frequently reported AEs mainly included laboratory examination abnormalities (94.4%), blood and lymphatic system disorders (83.3%), metabolism and nutritional disorders (77.8%), and GDs (72.2%), with incidence rates similar to those of comparable products. The results of this clinical trial indicate that the tolerated dose of WH002 exceeds 345 mg/m², and the dosing regimen for subsequent clinical trials is planned to adopt a therapeutic dose of 260 mg/m² without steroid pretreatment.
- **PK data:** Following administration, paclitaxel was rapidly distributed to tissues and cleared quickly from plasma, with systemic exposure increasing linearly with dose and no evidence of drug accumulation.

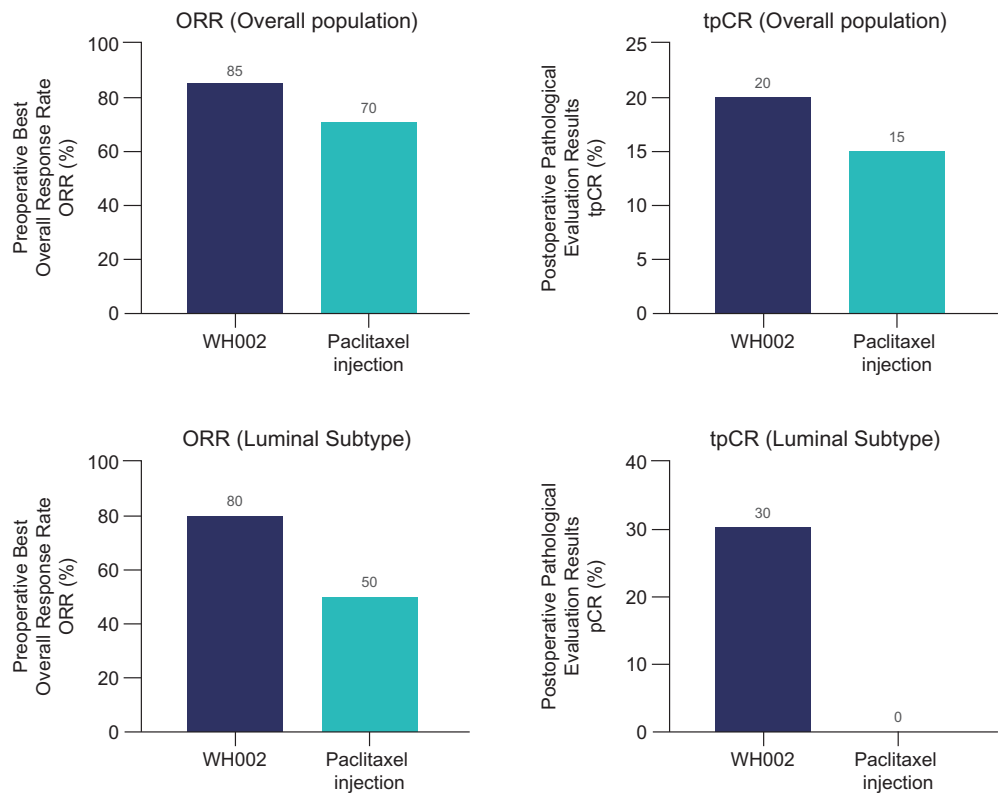
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WH002-I-102: A Multicenter, Randomized, Open-label, Positive Drug Parallel-Controlled Phase II Clinical Trial to Evaluate Safety and Tolerability of WH002 as Neoadjuvant Treatment in Subjects with HER-2-Negative Breast Cancer

- **Trial design:**
 - The clinical trial was sponsored and conducted by us. This clinical trial was designed to evaluate the safety and tolerability of WH002 compared with paclitaxel injection in neoadjuvant treatment for HER2-negative breast cancer, and to compare the ORR based on preoperative imaging assessment and postoperative tpCR rate between the two treatment groups.
 - Subjects with early high-risk or locally late-stage HER2-negative breast cancer were randomized in a 1:1 ratio to receive either WH002 (260 mg/m², intravenous infusion, without dexamethasone premedication for hypersensitivity prophylaxis) or paclitaxel injection (175 mg/m², intravenous infusion, with dexamethasone and histamine receptor antagonists administered prior to dosing for hypersensitivity prophylaxis).
 - A dose-dense, biweekly regimen was adopted. Subjects first received paclitaxel-based treatment (WH002 or paclitaxel injection) once every two weeks for a total of four cycles, followed by sequential administration of epirubicin (90 mg/m²) in combination with cyclophosphamide (600 mg/m²) once every two weeks for four cycles. Breast cancer surgery was performed two to six weeks after the last dose.
 - A total of 40 subjects were enrolled, with 20 subjects in each group. Following randomization, subjects began (i) neoadjuvant treatment, and (ii) prevention treatment including allergy prevention, prevention of myelosuppression, and anti-emetic treatment.
- **Trial Status:** The Phase II clinical trial was initiated in Cancer Hospital Chinese Academy of Medical Sciences in China in June 2024 and completed in November 2025.
- **Efficacy data:**
 - Based on preoperative imaging assessment, the WH002 group achieved a preoperative ORR of 85.0% (17/20), including a CR rate of 15.0% (3/20; comprising two Luminal cases and one triple-negative case). In comparison, the control group achieved an ORR of 70.0% (14/20), with no CR observed, indicating the advantage for WH002.
 - Postoperative pathological assessment showed that the tpCR rate was 20% (4/20; including three Luminal cases and one triple-negative case) in the WH002 group, compared with 15% (3/20; all triple-negative cases) in the control group.
 - Further stratified analysis demonstrated that WH002 exhibited higher sensitivity in Luminal subtype breast cancer, with a preoperative imaging ORR of 80%, significantly higher than the 50% observed in the control group, and a postoperative tpCR rate of 30.0%, also significantly higher than that of the

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control group. These findings suggest that WH002 may offer a clinical advantage in the treatment of Luminal subtype breast cancer that has not been achieved by other paclitaxel formulations.



- **Safety data:** Favorable safety profile, especially (i) no drug-related SAEs or suspected unexpected serious ADRs were reported during the clinical trial, and no AEs leading to trial discontinuation or death occurred, (ii) a total of three SAEs were reported (two in the WH002 group and one in the control group), all of which were assessed as unrelated to the drugs, and (iii) no acute hypersensitivity reactions were observed, despite the absence of steroid premedication in the WH002 group.

Clinical Development Plan

We plan to initiate a Phase III, randomized, open-label, active-controlled, parallel-group clinical trial of WH002 in subjects with Luminal subtype breast cancer in 2026 in Cancer Hospital Chinese Academy of Medical Sciences in China. We expect to complete the Phase III clinical trial in 2029.

Licensing, Rights and Obligations

WH002 was assigned to us by the IMM and we maintain the exclusive global rights to develop, manufacture and commercialize WH002. See “— Collaboration Arrangement — Collaboration with the IMM — Assignment from the IMM — WH002” for details regarding such assignment.

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Material Communication with Competent Authorities

Our communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for WH002 are outlined as follows:

- In April 2019, we obtained IND approval from the NMPA.
- In April 2022, we initiated Phase I clinical trial, which was completed in December 2023.
- In June 2024, we initiated Phase II clinical trial, which was completed in November 2025.

We had not received any relevant regulatory agency’s concerns or objections to our clinical development of WH002 as of the Latest Practicable Date, nor had any material unexpected or adverse changes occurred since the date of issue of relevant regulatory approvals for WH002.

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OUR OTHER DRUG CANDIDATES

As of the Latest Practicable Date, in addition to our Core Products, we are also developing the following candidates, including:

- WH008, a Natural Medicine candidate indicated for MASH,
- WH010, a tumor-targeted nanomedicine derived from an active natural product monomer indicated for gastric cancer,
- WH003, a naturally derived active monomer Natural Medicine candidate and its lipid-based nanoformulation, indicated for inflammatory and immune diseases,
- WH004, an osmotic pump-controlled release tablet delivering the small-molecule NIC, indicated for hypertension, and
- WH009, a phthalazinone derivative developed through structural modification of natural products, formulated as a microparticle-based solubilized injectable solution, indicated for stroke and dementia.

We have carefully evaluated the toxicity and pharmacological effects of these candidates in various preclinical studies and are actively exploring their clinical development opportunities.

COLLABORATION ARRANGEMENT

Collaboration with the IMM

The IMM is a research institute in China specializing in the discovery and development of innovative drugs, with a particular focus on Natural Medicines. In light of the inherent complexity of Natural Medicine innovation, and the high technical barriers associated with innovative drug discovery, we strategically collaborated with IMM as a research partner at an

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early stage of our establishment. The IMM was an Independent Third Party as of the Latest Practicable Date. Our key cooperation arrangements with the IMM in relation to the Core Products primarily comprise the following:

- Assignment agreements with the IMM with respect to WH001 and WH002, namely:
 - WH001 Agreement and
 - WH002 Agreement;
- Strategic Cooperation Agreement with the IMM; and
- Technical Service Agreement with the IMM.

Assignment Agreements with the IMM

We entered into assignment agreements with the IMM in respect of WH001 and WH002. The relevant assignments enabled us to further develop and advance these drug candidates in accordance with our development strategy.

WH001

In 2010, we entered into an agreement with the IMM pursuant to which the IMM assigned to us the exclusive patent rights controlled by the IMM, as well as the subsequent rights to develop, manufacture, and commercialize WH001 (the “**WH001 Agreement**”). At the time of such assignment, WH001 was still in Phase I clinical trial stage. Subsequently, we led the Phase II, IIIa, IIIb and post market Phase IV clinical trials, as well as large-scale commercial manufacturing.

The key terms of the WH001 Agreement are summarized below:

- ***Rights transferred:*** The IMM assigned to us all exclusive rights, title and interest in and to WH001, including, the ownership of technical know-how, related patent rights and patent applications, as well as rights to further clinical development, regulatory application, manufacturing, and commercialization.
- ***Allocation of responsibilities:*** Upon completion of the Phase I clinical trial of WH001, the IMM shall prepare a report on Phase I clinical trial for our reference. The IMM shall provide technical assistance and process transfer support related to the assignment of WH001, and provide relevant technical assistance during our advancement of WH001 clinical trials and NDA application.
- ***Payments:*** Stage payments are made according to milestones in relation to the development of WH001.
- ***Intellectual property arrangements:*** We obtained the exclusive right to research and modify technologies licensed by the IMM for further improvements. Any improvements, derivative technologies or resulting technical achievements independently developed by us shall be solely owned by us.

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- **Confidentiality:** Both parties agree to maintain the confidentiality of proprietary information.

WH002

In 2012, we entered into an agreement with the IMM pursuant to which the IMM assigned to us the exclusive patent rights controlled by the IMM, as well as the subsequent rights to develop, manufacture, and commercialize WH002 (the “**WH002 Agreement**”). At the time of such assignment, WH002 was still in preclinical research stage. We and the IMM jointly participated in preclinical research and IND application. Subsequently, we led Phase I and Phase II clinical trials, and completed the pilot-scale conversion and construction of the industrial production line.

The key terms of the WH002 Agreement are summarized below:

- **Rights transferred:** The IMM assigned to us all exclusive rights, title and interest in and to WH002, including the ownership of technical know-how, related patent rights and patent applications, as well as rights to further clinical development, regulatory application, manufacturing, and commercialization.
- **Allocation of responsibilities:** The IMM shall provide technical assistance and process transfer support related to the assignment of WH002, and provide relevant technical assistance during our advancement of WH002 clinical trials and in connection with our IND filing with the NMPA.
- **Payments:** Stage payments are made according to milestones in relation to the development of WH002, including a technology transfer fee and a sales royalty, with the sales royalty structured as follows:
 - o The IMM is entitled to receive 3% of our annual proceeds generated from the sales of WH002 in Chinese Mainland, commencing from the second year following its commercialization for a period of ten years,
 - o The IMM is entitled to receive 30% of the proceeds generated from the sales of WH002 in countries and regions where patent protection is sought or granted under the PCT framework, and
 - o The IMM is entitled to receive 30% of the proceeds generated from the transfer of the relevant technical achievements to third parties in countries and regions where patent protection is sought or granted under the PCT framework.
- **Intellectual property arrangements:** We obtained the exclusive right to research and modify technologies assigned by the IMM for further improvements. Any improvements, derivative technologies or resulting technical achievements independently developed by us shall be solely owned by us.
- **Confidentiality:** Both parties agree to maintain the confidentiality of proprietary information.

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Strategic Cooperation Agreement with the IMM

In 2013, we entered into a strategic cooperation agreement with the IMM (the “**Strategic Cooperation Agreement**”). The key terms of the Strategic Cooperation Agreement are summarized below:

- **Duration and termination:** The term of the Strategic Cooperation Agreement is five years and may be extended upon mutual agreement. The agreement was most recently extended in 2025. It may be terminated upon mutual consent of the parties.
- **Scope of collaboration:** Our collaboration with the IMM primarily covers:
 - *Purpose of the agreement:* This agreement serves as a framework arrangement, and specific matters shall be separately negotiated and agreed upon by the parties through additional agreements.
 - *Translation of research outcomes:* We collaborate with the IMM to translate scientific research outcomes into drug development applications, including: (a) we set a scientist workstation, as a communication mechanism, through which the IMM provides us research and validation advice, and (b) we provide the necessary supporting infrastructure and laboratory space.
 - *Talent training:* We provide off-campus internship opportunities and practical training guidance for professional postgraduate students from the IMM, and jointly cultivate application-oriented talents in drug development to meet our talent needs.
 - *Technical exchange:* We and the IMM conduct regular seminars and exchange information regarding technology research and development and market-related insights.

Technical Service Agreement with the IMM

In 2024, we entered into a technical service agreement with the IMM, and in 2025, a supplemental agreement thereto (together, the “**Technical Service Agreements**”). The Technical Service Agreements are:

- project-based arrangement focusing on advanced mechanistic research.
- designed to generate deeper scientific understanding of mulberry twig-derived water-soluble effective components, including small-molecule and polysaccharide constituents, in metabolic syndrome and endocrine disorder-related reproductive dysfunction.

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The purposes of Technical Service Agreements with the IMM were not for co-development or joint commercialization of our Core Product WH007, or any other drug candidates. We entered the Technical Service Agreements after we submitted the first pre-IND application for WH007 to the CDE in 2023, and the scope of the Technical Service Agreements is outside the scope of IND application for WH007. According to CIC, advanced mechanistic research is commonly conducted on a project basis to deepen scientific understanding and enhance academic influence, and IND-related applications for new drugs are not conditioned on such advanced mechanistic research. We independently facilitated the clinical development for WH007, and the IMM has not been involved in the clinical development of WH007. The IMM is one of the sponsors of WH007’s IND application, primarily due to their industry recognition and their academic contribution, and such arrangement is in accordance with the Technical Service Agreements.

Pursuant to such agreements, the IMM provided us with technical services in relation to the investigation of the MOA by which the water-soluble active components derived from mulberry twig regulate metabolic syndrome and reproductive dysfunction (the “**Technical Service Agreement**”). The key terms of the Technical Service Agreement are summarized below:

- ***Service provided:*** The IMM provides technical services relating to the advanced mechanism by which the water-soluble active components derived from mulberry twig, including small-molecule and polysaccharide macromolecular constituents, regulate metabolic syndrome and endocrine disorder-related reproductive dysfunction.
- ***Allocation of responsibilities:*** Upon completion of the relevant technical services, the IMM shall deliver written research reports to us for acceptance. We are responsible for providing the required research funding and sufficient quantities of WH007 samples for the research activities.
- ***Payments:*** Stage payments are made according to milestones in relation to the progress and delivery of the research reports.
- ***Intellectual property arrangements:*** Any research outcomes achieved prior to the execution of the supplemental agreement, whether patented or not, shall be solely owned by us. Any research outcomes arising from the Technical Service Agreement after the execution of the supplemental agreement shall be jointly owned by us and the IMM. Where joint patent applications are filed in respect of such outcomes, we shall be the first-listed applicant and the IMM shall be the second-listed applicant.
- ***Clinical registration matters:*** Any IND applications and related filings arising from the research outcomes arising from the service content under the Technical Service Agreement after the execution of the supplemental agreement shall be submitted by us and the IMM as joint applicants. We shall be the first-listed applicant and the IMM shall be the second-listed applicant, and we shall be the marketing authorization holder for the product.

With respect to intellectual property arrangements, prior to the execution of the supplemental agreement, we had independently filed 66 patent applications, covering patents required for the development of drug candidates such as WH007, WH006 and WH008, which are applicable to indications including PCOS, obesity and MASH. As of the Latest Practicable Date, 27 of these patent applications have been granted. For details, please refer to “— Intellectual Property.”

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Contributions to our Commercialized Product and Core Products

WH001 Sangbo'en

We have been assigned the exclusive patent rights, as well as the subsequent rights to develop, manufacture, and commercialize WH001 from the IMM. At the time of such assignment, WH001 was still in Phase I clinical trial stage. For subsequent Phase II, Phase IIIa and Phase IIIb clinical trials, we obtained ethics approvals from the relevant clinical trial sites jointly with the IMM, while we led these clinical trials. We obtained NDA approval from the NMPA, demonstrating our exclusive rights to develop, manufacture and commercialize *Sangbo'en*. We also obtained ethics approval for and led the post-marketing Phase IV clinical trial. See “— Assignment Agreements with the IMM — WH001” for details.

WH007

WH007 is independently developed by us. We obtained IND approval from the NMPA jointly with the IMM in accordance with the Technical Service Agreement. See “— Technical Service Agreement with the IMM” for details. We are independently facilitating the clinical development of WH007 towards commercialization and we have independently submitted the ethics application to the relevant clinical trial site. The IMM as a sponsor of the IND application has not been involved in the clinical development of WH007, and accordingly will not participate in the commercialization of this candidate. We are expected to be the sole MAH of WH007 once the clinical development is complete. In particular, (i) there are no strict requirements on the work allocation of sponsors of an IND application pursuant to the relevant PRC laws and regulations, (ii) IMM have provided written confirmation that it will not act as a MAH for WH007; (iii) after the receipt of the IND approval of WH007, we have independently undertaken all sorts of work relating to WH007; and (iv) we have borne all relevant costs of the clinical development of WH007. We maintain the exclusive global rights to develop, manufacture and commercialize WH007.

WH006

WH006 is independently developed by us. We obtained IND approval from the NMPA, independently sponsored and conducted Phase I and Phase II clinical trials. We maintain the exclusive global rights to develop, manufacture and commercialize WH006.

WH002

We have been assigned the exclusive patent rights, as well as the subsequent rights to develop, manufacture, and commercialize WH002 from the IMM. At the time of such assignment, WH002 was still in preclinical research stage. We and the IMM jointly participated in preclinical research and IND application in accordance with the WH002 Agreement. See “— Assignment Agreements with the IMM — WH002” for details. For subsequent Phase I and Phase II clinical trials, we obtained ethics approvals from the relevant clinical trial sites and led these clinical trials. In accordance with the WH002 Agreement, we are expected to be the sole MAH of WH002 once the clinical development is complete, and we maintain the exclusive global rights to develop, manufacture and commercialize WH002.

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Set forth below are further details of the contributions from IMM and us to the development of our commercialized product *Sangbo'en*:

	IMM	Our Company
Pharmaceutics	● Preclinical pharmaceutics, including: (i) completed laboratory-scale process development, structural identification and quality control for Sangzhi Alkaloid, at a preparation scale of 0.5 ton of raw botanical material per batch. (ii) completed experimental-scale formulation optimization and quality control for Sangzhi Alkaloid Tablets, at a preparation scale of 1,000 tablets per batch. ● IND filing and Phase I clinical trial sample supplies.	● Scale-up and industrialization, including: (i) completed pilot-scale scale-up for Sangzhi Alkaloid, increasing content from below 0.05% in raw botanical material to above 50.0%; established quality control methods for both alkaloid and non-alkaloid components and set product quality standards. (ii) prepared DNJ reference standard characterized and filed as a national reference standard (which became the first statutory DNJ standard in China). (iii) built automated GMP line and scaled batch processing from approximately 0.5 ton/batch to 13.2 tons/batch, and further expanded to 80 tons/batch post-commercialization. (iv) built a GMP-dosage facility and scaled Sangzhi Alkaloid Tablets from 3,000 tablets/batch to 600,000 tablets/batch per batch, with validated, stable process and consistent quality. ● NDA filing and Phase II and Phase III sample supplies.

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	IMM	Our Company
Preclinical studies (Pharmacology, PK and toxicology)	• IND application packaging, focusing on: (i) α-glycosidase inhibitor activity and completed preclinical pharmacology studies. (ii) safety evaluations, including acute toxicity, repeat-dose toxicity and general pharmacology. • IND filing and clinical research.	• Expanded pharmacology and PK including: (i) pharmacology beyond α-glycosidase inhibition and investigated additional activities including β-cell protection, improved insulin sensitivity, increased GLP-1 secretion, gut microbiome modulation and anti-inflammatory effects, using multiple animal models. (ii) PK studies in rats, including plasma PK and broad tissue distribution, showing distribution to key glucose- and lipid-metabolism organs, predominantly excretion in unchanged form and no in vivo accumulation. • Scientific support for indication expansion (including obesity, PCOS and MASH).
Clinical trials	• Conducted Phase I clinical trial tolerability study.	• Led Phase II, IIIa, and IIIb clinical trials.

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Set forth below are details of the contributions from IMM and us to the development of WH007:

	IMM	Our Company
Preclinical studies (Pharmaceutics)	N/A	- Designed a 126 mg tablet strength based on efficacious doses observed in PCOS animal studies. - Completed formulation and process development and verification. - Performed systematic quality evaluation and established product quality standards. - Provided pharmaceutics support for the IND filing of WH007. - Led pharmacodynamics, MOA, target identification, and PK, as well as reproductive toxicity assessments:
Preclinical studies (Pharmacology, PK and Toxicology)	Assisted us in target protein binding studies, facilitating MOA exploration	(i) Pharmacodynamics: Established controlled PCOS rat models induced by DHEA, DHEA and high-fat diet and letrozole and high-fat diet, and evaluated WH007’s effects on sex hormone profiles, polycystic ovarian morphology, estrous cyclicity, fasting insulin and glucose tolerance. (ii) MOA: Conducted initial mechanism studies suggesting involvement in modulation of the HPO axis. (iii) Targets: Conducted thermal proteome profiling using animal tissues and validate identified targets through enzymatic assays. (iv) PK: Assessed distribution in key reproductive-axis tissues, including hypothalamus, pituitary, ovary and uterus. (v) Genotoxicity: Conducted genotoxicity and reproductive-toxicity studies, supporting a favorable safety profile. - Provided preclinical pharmacology, PK and toxicology support for WH007’s IND filing.
Clinical trials	N/A	Obtained the IND approval from the NMPA in December 2025 to conduct Phase II clinical trial.

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Set forth below are details of the contributions from IMM and us to the development of WH006:

	IMM	Our Company
Preclinical studies (Pharmaceutics)	N/A	- Designed a 126 mg tablet strength based on efficacious doses observed in weight-management animal studies. - Completed formulation and process development and verification. - Performed systematic quality evaluation and established product quality standards. - Provided pharmaceutics support for the IND filing of WH006.
Preclinical studies (Pharmacology and PK)	Assisted with MOA (gut inflammation) and PK (impact of food on drug absorption) studies	- Led the pharmacodynamics and MOA studies: (i) Pharmacodynamics: Established multiple obesity-related animal models. Using orlistat and semaglutide as positive controls, assessed weight-management effects across multiple endpoints and evaluated dose response. (ii) MOA: Combined multi-omics study and in vitro cell assays to characterize modulation of lipid metabolism, protecting mitochondrial function and enhancing systemic energy metabolism. (iii) Targets: Elucidated targets of WH006 through in vitro and in vivo studies. - Led the PK studies, including characterizing distribution across multiple tissues, including liver, kidney, adipose tissue, aorta and brain. - Provided preclinical pharmacology and PK support for WH006's IND filing.
Clinical trials	N/A	- Phase I clinical trial: Independently initiated and completed Phase I clinical trial to evaluate single- and multiple-dose tolerability and PK characteristics in healthy and overweight/obese subjects. - Phase II clinical trial: Independently initiated Phase II and developed protocol in overweight/obese subjects.

Set forth below are details of the contributions from IMM and us to the development of WH002:

	IMM	Our Company
Preclinical studies (Pharmaceutics)	- Completed preclinical formulation and process development and small-scale studies; established initial quality methods and specifications, and completed stability studies. - Supported product feasibility assessment, and, together with us, provided pharmaceutics inputs for the IND filing.	- Completed scale-up optimization and process verification in collaboration with IMM. - Strengthened quality controls, including impurity profiling and hemolysophospholipid controls. - Built an automated GMP-compliant pilot line for the drug-loaded lipid emulsion by integrating the complex preparation system, compounding system, washing/drying/filling/crimping system and rotary sterilization system, enabling tight process-parameter control and scaling from 9 L/batch to 60 L/batch. - Manufactured and tested clinical trial batches. - Removed key scale-up bottlenecks for lipid-emulsion nanomedicines and secured clinical supply readiness. - Completed the IND filing with the IMM and obtained IND approval.

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	IMM	Our Company
Preclinical studies (Pharmacology, PK and Toxicology)	Supported IND filing in terms of PK and pharmacodynamics.	- Conducted long-term toxicity studies in rodents on top of the existing safety package. - Performed systematic plasma PK profiling and whole-body tissue distribution studies, with focused assessment in breast and gastric tissues.
Clinical trials	N/A	- Phase I clinical trial: Independently initiated and completed Phase I clinical trial to evaluate safety, tolerability, PK and preliminary efficacy. - Phase II clinical trial: Independently initiated and completed Phase II clinical trial regarding neoadjuvant study in HER2-negative breast cancer to evaluate WH002 administered without steroid premedication. - Phase III clinical trial: Plan to initiate the Phase III clinical trial of WH002 in subjects with Luminal subtype breast cancer in 2026.

RESEARCH AND DEVELOPMENT

We consistently devote resources to research and development to pave for long-term growth. Our research and development costs attributable to our Core Products were RMB35.6 million, RMB23.1 million and RMB26.4 million in 2024 and the nine months ended September 30, 2024 and 2025, respectively, representing 61.3%, 60.5% and 63.7% of our total research and development costs for the same period, respectively.

R&D Strategy

We focus on leveraging our industry expertise and established R&D capabilities in translating scientific research into clinical and commercial outcomes to independently advance the discovery, development and commercialization of therapeutic products primarily targeting metabolic diseases, tumor, and inflammatory and immunological diseases. Building on our proprietary technology platforms, we design and screen pleiotropic Natural Medicines, including active components and active monomer, with a strong emphasis on clinical translation and indication expansion. In parallel, we research and develop DDS to address technical bottlenecks of in vivo drug delivery. Through innovative DDS, we enhance safety, efficacy and patient convenience, thereby maximizing the clinical value of our drug candidates, extending product life cycles, and establishing an innovative product portfolio that complements our Natural Medicine pipeline.

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R&D Team

We have built an R&D team with deep expertise and extensive experience across Natural Medicines and multi-indication expansion, DDS development and translation, and clinical research and development. As of September 30, 2025, we have established a dedicated R&D team of 89 members. 46 members of our R&D team held master’s or above degrees, including eight members with doctorate degrees. Among our eight Ph.D. holders, six have postdoctoral research experience.

Our R&D team is led by Dr. LIU Zhihua, our deputy general manager, dean of the Institute for Pharmaceutical Innovation and senior director of the New Drug R&D Center of the Institute for Pharmaceutical Innovation. Dr. LIU Zhihua has both theoretical and practical expertise in innovative drug discovery and development, clinical positioning, risk assessment, regulatory application and commercialization, and is capable of formulating forward-looking intellectual property strategies. In particular, leveraged on the experience and high-level technical guidance of Dr. LIU Zhihua, our R&D team has advanced our R&D in the following aspects:

- **Preclinical research:** (a) Under the leadership of Dr. LIU Zhihua, the metabolic R&D team led by Dr. CHEN Yanmin focuses on obesity and MASH, and the reproductive health R&D team led by Dr. LIU Yuanyuan focuses on PCOS. These teams have established a pharmacology evaluation platform spanning animal models, as well as cellular and molecular studies, to investigate the multiple pharmacological effects of SZ-A and expand its indications, which leads to the successful development of our Core Products WH007 and WH006, and (b) the new drug R&D team led directly by Dr. LIU Zhihua has (i) established a targeted delivery and modified-release formulations platform and completed the pharmaceutical and PK studies of WH002, and (ii) completed the preclinical studies of WH004.
- **Translational research:** (a) Under the leadership of Dr. LIU Zhihua, the Natural Medicine translational team led by Mr. ZHU Xiangyang has established a translational platform for the separation and enrichment of water-soluble alkaloids, and completed the scale-up and industrial transformation of SZ-A API, enabling its productization, large-scale manufacturing and commercialization, and (b) the new drug R&D team led directly by Dr. LIU Zhihua has completed (i) the formulation development and quality control-related translational research of *Sangbo’en*, enabling its commercialization, and (ii) process optimization and validation for the scale-up production of WH002, providing qualified samples for its clinical trials.
- **Clinical development:** Under the leadership of Dr. LIU Zhihua and led by Dr. WANG Xingang and Dr. WANG Tingting, our medical team has formulated integrated medical development strategy and clinical positioning of our Core Products, including target patient populations, treatment settings and key endpoints. Our medical team has also advanced registered clinical trials, post-marketing Phase IV trials and facilitated IITs, so as to generate additional clinical evidence and explore broader clinical use and potential indication expansion.

As of the Latest Practicable Date, we had a total of six key R&D personnel, with an average of over 13 years’ experience in the biopharmaceutical industry. During the Track Record and up to the Latest Practicable Date, none of the key R&D personnel involved in the development of *Sangbo’en* and our Core Products has left our Group. The following table sets

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forth the identities, positions, expertise of our key R&D personnel and their involvement and contributions to the R&D activities of *Sangbo'en* and our Core Products.

Name	Positions	Expertise	Involvement and contributions to <i>Sangbo'en</i> and our Core Products	Date of joining our Group
Dr. LIU Zhihua	Deputy general manager, dean of the Institute for Pharmaceutical Innovation and senior director of the New Drug R&D Center of the Institute for Pharmaceutical Innovation	Over 13 years of experience in new drug development, translation and registration	Led and steered the translation and NDA for <i>Sangbo'en</i> , the R&D and translation of WH002, as well as the pharmaceutical research, PK studies, reproductive toxicity evaluation, and IND filing for WH007 and WH006	July 25, 2016
Dr. CHEN Yanmin	Director of Biology Center of the Institute for Pharmaceutical Innovation	Over 11 years of experience in biopharmaceutical R&D, with a focus on biological studies related to metabolic diseases and aging	Led the preclinical pharmacology, pharmacodynamics and MOA studies, and IND filing for WH006	May 6, 2020
Dr. LIU Yuanyuan	Deputy director of Biology Center of the Institute for Pharmaceutical Innovation	Over eight years of experience in biopharmaceutical R&D, focusing on biological research related to reproductive-related diseases such as PCOS	Led the preclinical pharmacology, pharmacodynamics and MOA studies, and IND filing for WH007	July 1, 2021
Dr. WANG Xingang	Senior director of Medical Center of the Institute for Pharmaceutical Innovation	Over 23 years of experience in biomedical research and development	Led the registered clinical trials and IIT of WH006, WH007 and WH002, and primarily responsible for the clinical program development, protocol design and oversight of protocol execution	October 8, 2021
Dr. WANG Tingting	Deputy director of Medical Center of the Institute for Pharmaceutical Innovation	Over 10 years of experience in pathophysiological research	Led the post-marketing clinical trial of <i>Sangbo'en</i> and the protocol design and quality control of WH006	June 1, 2021
Mr. ZHU Xiangyang	Chief engineer and head of the R&D Center of Guangxi Wehand-Bio	Over 18 years of experience in translation of pharmaceutical engineering	Led the process development, translation, and equipment system integration for extraction, separation, and large-scale preparation of <i>Sangbo'en</i>	March 12, 2012

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Building on our highly independent R&D efforts, our R&D activities also benefit from technical guidance provided by experts from the IMM, who advise on scientific and technical matters encountered during the R&D of our drug candidates. We will reasonably consider such advice, but not rely on it.

Drug Discovery and Preclinical Development

We have been engaged in the research and development of our drug candidates for over ten years. The majority of our drug discovery and preclinical development team members have obtained master’s degrees, with respective expertise in pharmaceuticals, molecular biology, drug metabolism and pharmacokinetics (“**DMPK**”), pharmacology, formulation development and pharmaceutical analysis, collectively supporting the advancement of our product pipeline.

Our proprietary in-house drug discovery capabilities cover both Natural Medicines and DDS. For Natural Medicines, we apply natural product chemistry, pharmacology and advanced analytical techniques, to isolate and screen active components from plants, elucidate their chemical structures, characterize their therapeutic effects and MOA, and establish quality control methodologies. These efforts enable us to identify Natural Medicine candidates with pleiotropic potential for the treatment of metabolic diseases. For DDS, we focus on tumor targeting, immune targeting and sustained- or controlled release technologies. We have developed lipid emulsions, self-emulsifying systems, and osmotic pump-based controlled-release formulations built on complex supramolecular systems. These technologies are designed to address key technical bottlenecks in the delivery of active components including those from Natural Medicines, enhancing clinical value and extending product life cycles. With our proprietary in-house drug discovery capabilities, we conduct druggability assessments and systematic preclinical pharmaceutical, PK and pharmacology studies to support NDA submissions and clinical development. See “— Our Strengths — Platform Capabilities Enabling End-to-End Development of Natural Medicines and DDS” for details of our technology platforms for Natural Medicines and DDS.

Collaboration with CROs and SMOs

In addition to our in-house R&D activities, we also collaborate with contract research organizations (“**CRO(s)**”) and SMOs to conduct and support our preclinical studies and clinical trials in line with industry practice. We select our CROs and SMOs by weighing various factors, including their business focus, R&D capabilities and overall market recognition. When collaborating with CROs and/or SMOs on a given project, our project leader takes a comprehensive approach to manage such project and closely monitors the progress, engages in regular communication with the CRO and/or SMO teams to understand project milestones and identify potential risks.

The following sets forth a summary of common key terms in agreements between us and CRO/SMO:

- **Services:** The CRO/SMO provides research services to us, including implementation and management of a preclinical or clinical project as specified in the agreement.
- **Term:** The CRO/SMO is required to perform its services and complete the preclinical or clinical project within the prescribed time limit set out in each agreement.
- **Payment:** We are required to make payments to the CRO/SMO according to the payment schedule agreed by the parties.

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- **Intellectual Property:** We own all intellectual property rights arising from the preclinical or clinical project, and we are entitled to apply patent for such intellectual properties.
- **Confidentiality:** The CRO/SMO is required to keep confidential all the data, information or contents we distributed to them related to the project specified in the agreement, and such obligation may survive the termination of the cooperation agreement.

MANUFACTURING

Manufacturing Facilities

As of the Latest Practicable Date, we operated the following manufacturing facilities:

<u>Production line</u>	<u>Geographic Location</u>	<u>Major Product(s) Manufactured</u>	<u>Gross Floor Area (m²)</u>
Guangxi SZ-A API production line	Yizhou District, Hechi City, Guangxi Zhuang Autonomous Region	SZ-A API	33,262
Beijing SZ-A tablets production line	Daxing Biomedical Industry Base, Zhongguancun Science Park, Beijing	<i>Sangbo'en</i> for commercial sale as well as WH007 and WH006 samples for clinical trial	5,796
Beijing paclitaxel tumor-targeting lipid emulsion production line	Daxing Biomedical Industry Base, Zhongguancun Science Park, Beijing	WH002 samples for clinical trial	5,354

We have two commercial-scale production lines, Guangxi SZ-A API production line and Beijing SZ-A tablets production line. Both production lines obtained drug production licenses and passed GMP compliance inspections, authorizing them to produce pharmaceuticals for commercial sales. In addition, our Beijing paclitaxel tumor-targeting lipid emulsion production line is an intelligent injectable production line built in accordance with U.S. cGMP and EU GMP standards, integrating inspection and production functions, ready for the commercial-scale manufacture of WH002. We carry out maintenance and repair work in compliance with applicable regulatory requirements and we replace or upgrade our production equipment when necessary to enhance productivity. We believe our manufacturing facilities and equipment are in good working condition.

The Guangxi SZ-A API production line is equipped with herbal material crushing and transfer systems, digital extraction systems, intelligent membrane concentration and resin exchange systems, multi-effect equilibrium concentration systems, ethanol precipitation systems, vacuum evaporation systems, and vacuum drying systems. The Beijing SZ-A tablets production line is equipped with dust-free enclosed crushing and sieving systems, wet granulation system and mixing systems, high-speed tablet compression systems, coating

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machines, and integrated high-speed internal and external packaging systems. The Beijing paclitaxel tumor-targeting lipid emulsion production line comprises a lipid compound workshop and a lipid emulsion injectable formulation workshop. The lipid compound workshop is equipped with, among other major equipment, negative-pressure protective isolators, compound solution preparation system, rotary evaporation equipment and drying equipment. The lipid emulsion injectable formulation workshop is equipped with major equipment including an automated lipid emulsion injection solution preparation system, a clean-in-place (“CIP”) system, high-pressure homogenizers, vertical washing machines, tunnel-type sterilization and drying systems, filling and stoppering machines, capping machines and water-bath sterilization units.

The following table sets forth the details of the production capacity, production volume and utilization rate for our commercialized product *Sangbo'en* and its API SZ-A for the periods indicated:

Product	Unit	Year Ended December 31, 2024			Nine Months Ended September 30, 2025		
		Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾
				(%)			(%)
SZ-A API	'kilogram	18,000	16,463	91.5	13,500	12,025	89.1
<i>Sangbo'en</i>	'000 tablets	105,600	70,994	67.2	76,800	62,359	81.2

Notes:

- (1) The designed production capacity for the year/period is calculated based on the following assumptions: our Guangxi SZ-A production line operates on a three-shift rotation basis, eight hours per shift, 26 days per month, and 12 months for 2024 or nine months for the nine months ended September 30, 2025 (including maintenance downtime). Our Beijing SZ-A tablets production line operates on a single-shift basis, eight hours per shift, and 22 days per month, and 12 months for 2024 or nine months for the nine months ended September 30, 2025 (including maintenance downtime).
- (2) The actual production volume during the year/period is the total volume of the products produced during that year/period.
- (3) The utilization rate during the year/period equals the actual production volume divided by the designed production capacity during the same year/period.

Expansion Plan

We plan to progressively expand the production capacity of (i) Guangxi SZ-A API production line and (ii) Beijing SZ-A tablets production line, to (i) address capacity constraints for the production of SZ-A API and *Sangbo'en* as our Guangxi SZ-A API production line and Beijing SZ-A tablets production line have been operating at a high utilization rate, (ii) better meet growing demand for *Sangbo'en*, and (iii) lay the foundation for the commercialization of WH007 and WH006.

With respect to our Guangxi SZ-A API production line, the expansion primarily involve the construction of new production workshops. We expect the gross floor area of the expanded Guangxi SZ-A API production line to be approximately 22,000 square meters, with a designed annual production capacity of approximately 44,000 kilograms, subject to adjustment based on our evolving business needs. With respect to our Beijing SZ-A tablets production line, the expansion will be primarily achieved through renovation and optimization of idle space within the existing production workshop. The gross floor area of the Beijing SZ-A tablets production

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line will remain at approximately 5,796 square meters, with a designed annual production capacity of approximately 500 million tablets, subject to adjustment based on our business requirements.

We expect to commence the expansion of our Guangxi SZ-A API production line and Beijing SZ-A tablets production line in 2026. We intend to fund the expansion and upgrading of our production lines using the net [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED] — Use of [REDACTED]” for details.

Manufacturing Process

The following are the key manufacturing processes of SZ-A API:

- **Extraction:** Fresh mulberry twigs are crushed and extracted with water to obtain a crude extract solution;
- **Separation:** The crude extract solution is precisely filtered using ceramic membrane filtration and concentrated via reverse osmosis membrane technology to form a concentrated solution with an appropriate solids concentration. Trace water-soluble alkaloids from the mulberry twigs are adsorbed, desorbed, and enriched through continuous cationic and anionic exchange resins to collect and elute a concentrated solution;
- **Purification:** The eluate is subject to alcohol precipitation to remove macromolecular impurities and trace impurities such as heavy metals, followed by drying and packaging; and
- **Testing:** The final product is tested for critical quality attributes, including content of active components, resin residues, and heavy metals.

The following are the key manufacturing processes of *Sangbo'en*:

- **Granulation:** SZ-A API and excipients are mixed and processed into dried granules through wet granulation and fluidized-bed drying;
- **Tableting:** The dried granules are blended with lubricants and compressed into tablets using high-speed rotary tablet presses;
- **Packaging:** The tablets are packaged through an automated integrated packaging line for blistering, cartoning and serialization. Each packaged product is fully traceable; and
- **Inspection:** In-process testing is performed on both granules and tablets. Final product samples are collected after cartoning and subjected to full testing against quality specifications.

Inventory Management

We actively manage and maintain our inventory to ensure cost efficiency, and timely production and distribution of our products. Inventory is stored in different designated areas of our warehouses based on their respective storage requirements, characteristics, intended use, and batch numbers.

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QUALITY CONTROL

Quality Control of Raw Materials

We have established detailed quality control procedures for the procurement of raw materials. We only purchase raw materials from qualified suppliers whose business credentials and product quality have been duly verified by us. In addition, we conduct sampling inspection and testing of raw materials in accordance with applicable national standards and our internal specifications before they can be released for use in production.

Quality Control of Work in Progress

Our quality control team is responsible for ensuring that our manufacturing processes conform with applicable national standards including GMP standards. We require our production personnel to adhere to our standard operating and equipment operation procedures and our quality control team regularly inspects our production processes on-site. In addition, our quality control team conducts sample testing on certain semi-finished products at particular stages of production to ensure that they meet our quality standards, such as physical appearance, ingredient composition and drug content.

Quality Control of Finished Products

Before we deliver our final products to customers, our quality assurance team conducts quality assessment of each batch of products to ensure that they have been produced in accordance with the applicable national standards. Authorized quality control personnel inspect the documentation relating to the quality of a product to confirm that all necessary examinations have been conducted with satisfactory results. Only the final products that have fulfilled all testing requirements can be released and sold to the market.

MARKETING, SALES AND COMMERCIALIZATION

In-House Sales and Marketing Team

Our in-house sales and marketing team is primarily responsible for the promotion of our products through various marketing activities and sales through different channels in China. As of September 30, 2025, our in-house sales and marketing team included 162 employees. We believe that an in-house sales and marketing team with a relatively high level of industry knowledge and expertise is important to implement our academic marketing approach and to maintain our reputation and brand image.

Our sales and marketing personnel are required to strictly adhere to our procedures, policies and guidelines, including but not limited to a code of conduct on interacting with, and promoting our products to, healthcare professionals. Please see “— Risk Management and Internal Control.”

Marketing and Commercialization Strategy

Currently we promote our pharmaceutical products through our in-house sales and marketing team and external agents. We organize and participate in a wide variety of academic conferences, seminars and symposia, on which we communicate with these medical professionals about the usage, efficacy, safety and latest clinical trial results of our products. We also provide tailored product training, where medical professionals can learn how to properly administer and

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monitor our treatments. These academic marketing activities not only enable us to obtain the requests and feedback of our products from medical professionals timely, but also promote our brand and product awareness among medical professionals.

Pricing

Our commercialized product *Sangbo'en* has been included in the NRDL since 2020, and its pricing aligns with the medical insurance reimbursement standards and is subject to dynamic adjustment mechanism.

We will determine the prices of our products based on a number of factors, including our costs of production, technology advantages, differences in features between our drugs and competing drugs, affordability of patients and changes in the levels of supply and demand.

Distribution

We sell *Sangbo'en* to distributors, who are our direct customers and are responsible for distributing our products to hospitals, pharmacies and e-commerce platforms in China. We maintain a seller-buyer relationship with our distributors. We believe this distribution model helps extend our coverage in a cost-effective manner. According to CIC, it is an industry norm for companies to adopt a distribution model in the pharmaceutical industry.

Distribution Network

As of September 30, 2025, our distribution network spanned 31 provinces, municipalities and autonomous regions across China. In 2024 and the nine months ended September 30, 2025, revenue from sales of *Sangbo'en* to distributors in China accounted for 100.0% of our revenue from sales of *Sangbo'en* during the respective periods. The following table sets forth the movement in the number of our distributors on group basis for the periods indicated:

	Year Ended December 31, 2024	Nine Months Ended September 30, 2025
As of the beginning of the period	40	43
Additions of distributors	7	9
Decreases of distributors	(4)	(8)
As of the end of the period	43	44

To the knowledge of our Directors, our distributors are Independent Third Parties; and none of our distributors were wholly-owned or majority controlled by our current or ex-employees. In addition, to the knowledge of our Directors, there is no other relationship or arrangement (including family, business, financing, guarantee or otherwise in the past or present) between our distributors and us.

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Terms of Distribution Agreement

We enter into distribution agreements with our distributors. Individual sales contracts or purchase orders are generally separately entered into or placed for each purchase. Key terms of our distribution agreements include:

- **Term:** The term of the distribution agreements is typically one year.
- **Payment:** Our distributors are required to make payments to us according to the payment schedule.
- **Designated sales territory:** We normally designate geographic distribution in provincial level for each distributor for their sales activities.
- **Sales target and minimum purchase requirement:** We do not set sales target and minimum purchase requirements.
- **Product return or exchange policy:** We typically do not allow distributors to return or exchange products unless there are product quality issues caused by us.
- **Delivery:** We generally cooperate with logistic service providers to deliver products to our distributors.
- **Transfer of risk:** The risks transfer after on-site inspection by the distributors upon reception of the products.
- **Termination:** If the distributors fail to perform any obligation stipulated in the distribution agreement and fail to rectify within 20 days upon receipt of a written notice from us, we have the right to immediately terminate the agreement.

Distributor Management

We select our distributors based on their proven distribution abilities, knowledge of their target markets, warehouse management, financial stability, credit records and expertise and experience of their management team. We require all our distributors to possess all licenses and permits necessary for the sales and distribution of pharmaceutical products. During the Track Record Period, we did not terminate our business relationship with any distributors due to their breach of their distribution agreements or their non-compliance with regulatory requirements.

In order to manage the risk of cannibalization of sales among our distributors, we specify the designated geographic area for which our distributors are responsible in our distribution agreements with them. The agreements also prohibit distributors from distributing our products outside their respective designated geographic areas. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material cannibalization or competition among our distributors within the same geographical area.

We have implemented policies and measures to mitigate the risk of inventory accumulation in the distribution channels. Distributors are required to provide us with information regarding sales and inventory data of our product. We monitor distributors’ inventory levels. We also review and evaluate sales data of our distributors, which enables us to make periodic assessments of actual market demand for our products. During the Track Record Period and up to the Latest Practicable Date, we did not notice any abnormally high inventory level of our

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distributors. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we were not found to have violated any regulations or policies related to the “two-invoice system.”

Logistics Arrangement

We engage third-party logistics service providers to transport our products to our distributors. We have entered into logistics service agreement with such providers, pursuant to which they are responsible for any loss caused by their negligence during the course of their logistics services, including transfer, loading, unloading, transportation and delivery to our customers.

PRODUCT RETURNS AND WARRANTIES

We generally do not accept any product returns, except for defective products. For defective products, we are fully responsible for the cost of return and replacement of these products. We provide warranties on our qualifications and products. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material compliant or product returns due to quality problems.

INTELLECTUAL PROPERTY

Intellectual property rights are important to the success of our business, and we are committed to the development and protection of our intellectual properties. As of the Latest Practicable Date, we had in China 278 registered trademarks and in other jurisdictions two registered trademarks and nine domain names. As of the Latest Practicable Date, we held (i) 78 issued patents, including 38 issued patents in China, and 40 registered patents in other jurisdictions, and (ii) 92 patent applications, including 30 patent applications in China, and 62 patent applications in other jurisdictions.

As of the Latest Practicable Date, for our Core Products, we held (i) 37 issued patents, including 16 issued patents in China, and 21 registered patents in other jurisdictions, and (ii) 42 patent applications, including eight patent applications in China, and 34 patent applications in other jurisdictions. As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that would cause us to believe that any of the pending patent applications will be rejected.

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The following table sets forth the patents and patent applications of our Core Products and its underlying technologies which we consider material to our operations as of the Latest Practicable Date.

Drug Candidate	Name of Patent	Application/Patent Numbers	Patent Holder/ Applicant	Jurisdiction	Status	Estimated Expiration Date ⁽¹⁾
WH007/ WH006	Method and System for the Sequential Extraction of DNJ, Flavonoids and Polysaccharides from Moraceae Plants	ZL201711061736.X	Our Company and Guangxi Wehand-Bio	China	In force	December 28, 2039
WH007/ WH006	System for the Sequential Extraction of DNJ, Flavonoids and Polysaccharides from Moraceae Plants	ZL201721442308.7	Our Company and Guangxi Wehand-Bio	China	In force	November 1, 2027
WH007/ WH006	A Plant Extraction Method	ZL201910794907.2	Our Company and Guangxi Wehand-Bio	China ⁽²⁾	Granted in 12 jurisdictions	August 26, 2039
WH007	Use of SZ-A in the Preparation of a Medicament for Treating PCOS	ZL202310226231.3	Our Company and Guangxi Wehand-Bio	China ⁽³⁾	Granted in eight jurisdictions	March 2, 2043
WH006	Use of Mulberry Extract in the Preparation of a Medicament for Reducing Body Weight in Animals	ZL202111460847.4	Our Company and Guangxi Wehand-Bio	China ⁽⁴⁾	Granted in three jurisdictions	December 1, 2041
WH006	Use of Mulberry Extract in the Preparation of a Medicament for Reducing Body Weight in Animals (Divisional Application)	202311067675.3	Our Company and Guangxi Wehand-Bio	China	Pending	August 23, 2043
WH002	Paclitaxel Lipid Complex	ZL200810168213.X	Our Company	China	In force	September 24, 2028
WH002	Paclitaxel Submicroemulsion with Lipid Complex as Intermediate Carrier	ZL200810168212.5	Our Company	China	In force	September 24, 2028
WH002	Paclitaxel Cholesterol Complexes	ZL200910236960.7	Our Company	China	In force	October 28, 2029
WH002	Paclitaxel Submicroemulsion with Cholesterol Complex as Intermediate Carrier	ZL200910236959.4	Our Company	China	In force	October 28, 2029
WH002	Paclitaxel/Steroid Complexes	ZL201080059671.5	Our Company	China ⁽⁵⁾	Granted in China and Japan	October 27, 2030
WH002	Paclitaxel Submicroemulsion with Steroid Complex as Intermediate Carrier	ZL201080059672.X	Our Company	China	In force	October 27, 2030
WH002	Paclitaxel Submicroemulsion with Steroid Complex as Intermediate Carrier	ZL201410053531.7	Our Company	China	In force	October 27, 2030

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Drug Candidate	Name of Patent	Application/Patent Numbers	Patent Holder/ Applicant	Jurisdiction	Status	Estimated Expiration Date ⁽¹⁾
WH002	Application of Paclitaxel Submicroemulsion in the Preparation of Drugs for the Treatment for Breast Cancer	202511590133.3	Our Company	China	Pending	November 3, 2047
WH002	Industrialized Preparation Method of a Paclitaxel Submicroemulsion Injection	202310399056.8	Our Company	China	Pending	April 14, 2043
WH002	A Preparation System for Submicroemulsion Injection	ZL202222944239.7	Our Company	China	In force	November 2, 2032
WH002	Scraping Equipment	ZL202322541081.3	Our Company	China	In force	September 18, 2033
WH002	A Scraping and Collecting Device for Drugs	ZL202221001221.7	Our Company	China	In force	April 26, 2032
WH002	A Water Bath Sterilization Cabinet	ZL202222808870.4	Our Company	China	In force	October 24, 2032

Notes:

- (1) The patent expiration date is estimated without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees.
- (2) China, and entry into 17 countries/regions (primarily including the United States, Japan, South Korea, Malaysia, the Philippines, Canada, Saudi Arabia, Australia and Indonesia) via PCT. The patent information provided relates only to the China filings and does not cover the corresponding patent applications or patents in other jurisdictions entered via the PCT system.
- (3) China, and entry into 18 countries/regions (primarily including Hong Kong, Macau, Japan, the United States, Brazil, Canada, and South Korea) via PCT. The patent information provided relates only to the China filings and does not cover the corresponding patent applications or patents in other jurisdictions entered via the PCT system.
- (4) China, and entry into 16 countries/regions (primarily including Hong Kong and Australia) via PCT. The patent information provided relates only to the China filings and does not cover the corresponding patent applications or patents in other jurisdictions entered via the PCT system.
- (5) China, and entry into Japan via PCT. The patent information provided relates only to the China filings and does not cover the corresponding patent applications or patents in other jurisdictions entered via the PCT system.

Grandway Law Offices (Nanjing), our IP legal adviser, has conducted freedom to operate (“FTO”) analysis of *Sangbo’en* and our Core Products, the result of which indicates that there is no material infringement risk for *Sangbo’en* and our Core Products against valid and enforceable patents of any third party issued in Chinese Mainland, Hong Kong, Macau, Europe (European Patent Office), the United States, Japan, South Korea, Singapore, the Philippines, Malaysia, Canada, Iran, the United Arab Emirates, Saudi Arabia, Russia, Australia, Vietnam, India, Thailand and Indonesia. However, we cannot provide any assurance that all relevant third party patents were identified or that conflicting patents will not be issued in the future. For more information, see “Risk Factors — Risks Relating to Our Intellectual Property Rights.”

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Material aspects of our Core Products are covered by our patent applications. Save for any examination opinions that the applicable patent examination authorities may raise during the ordinary pendency and examination of patent applications, we are not aware of any fact or legal impediment with respect to our pending patent applications that would preclude the grant of relevant patents.

We protect our Natural Medicine candidates through a layered IP strategy combining (i) patents regarding active components, (ii) patents regarding medical use, and (iii) trade secrets:

- Patents regarding active components focus on claiming defined alkaloid compositions, including compositions comprising specified alkaloid components in specified profiles and ratios. This approach is designed to protect our active components and reduce design-around attempts, including attempts to circumvent protection by substituting raw materials or making minor adjustments to component ratios.
- Patents regarding medical uses across key diseases, including among others, PCOS, obesity and MASH, so as to protect the application of the composition in the course of indication expansions. As we advance indication expansion, these patents regarding medical uses provide coverage for newly added indications, complementing our composition patents thereby further raising the bar for market participants seeking to enter and commercialize products for the same indication.
- We protect critical know-how through trade secrets where public disclosure is not desirable or where patents may not fully capture the value, including, without limitation, key process parameters, separation, enrichment and purification workflows, and quality control methods.

We also seek to protect our drug candidates and translation processes, in part, by entering into confidentiality agreements with third-party contractors. We have contractual arrangements with key employees and employees involved in research and development, pursuant to which intellectual property conceived and developed during their employment belongs to us and they waive all relevant rights or claims to such intellectual property. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems.

To the best knowledge of our Directors, there was no material infringement of any intellectual property rights of third parties by our Group during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights of third parties that may be threatened or pending. However, there are risks if we fail to protect our intellectual property rights in the future. See “Risk Factors — Risks Relating to Our Intellectual Property Rights.”

OUR CUSTOMERS

Our customers consist of distributors of *Sangbo'en*. In 2024 and the nine months ended September 30, 2025, our revenue generated from our five largest customers amounted to RMB179.3 million and RMB168.1 million, respectively, accounting for 86.2%, and 81.0% of our total revenue in the respective period, respectively, and revenue generated from our largest customer alone accounted for 43.9%, and 42.3% of our total revenue in the respective period,

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respectively. See “Risk Factors — Risks Relating to Our Reliance on Third Parties — We are exposed to risks related to concentration of customers.” We typically grant our customers credit terms up to 95 days.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or, to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers. During the Track Record Period, none of our major customers are our suppliers. All of our five largest customers during each year of the Track Record Period were Independent Third Parties.

The following table sets forth details of our five largest customers in each period during the Track Record Period:

<u>Rank</u>	<u>Customer</u>	<u>Sales Amount</u> (RMB'000)	<u>Percentage of</u> <u>Total Revenue</u> (%)	<u>Products</u> <u>Purchased</u>	<u>Business</u> <u>Relationship</u> <u>Since</u>
<i>Year Ended December 31, 2024</i>					
1	Customer A ⁽¹⁾	91,391	43.9	Sangbo'en	2020
2	Customer B ⁽²⁾	40,316	19.4	Sangbo'en	2020
3	Customer C ⁽³⁾	24,371	11.7	Sangbo'en	2020
4	Customer D ⁽⁴⁾	12,260	5.9	Sangbo'en	2020
5	Customer E ⁽⁵⁾	10,970	5.3	Sangbo'en	2021
Total		179,308	86.2		
<u>Rank</u>	<u>Customer</u>	<u>Sales Amount</u> (RMB'000)	<u>Percentage of</u> <u>Total Revenue</u> (%)	<u>Products</u> <u>Purchased</u>	<u>Business</u> <u>Relationship</u> <u>Since</u>
<i>Nine Months Ended September 30, 2025</i>					
1	Customer A ⁽¹⁾	87,784	42.3	Sangbo'en	2020
2	Customer B ⁽²⁾	35,375	17.1	Sangbo'en	2020
3	Customer C ⁽³⁾	23,492	11.3	Sangbo'en	2020
4	Customer E ⁽⁵⁾	12,538	6.0	Sangbo'en	2021
5	Customer D ⁽⁴⁾	8,906	4.3	Sangbo'en	2020
Total		168,095	81.0		

Notes:

- (1) Customer A is a public company headquartered in Shanghai, China, and primarily engaged in the manufacturing of pharmaceutical equipment, pharmaceutical distribution and pharmaceutical retail. It is listed on the Hong Kong Stock Exchange.
- (2) Customer B is a private company headquartered in Beijing, China, and primarily engaged in the marketing of pharmaceutical products, logistics distribution and pharmaceutical supply chain solutions services.
- (3) Customer C is a public company headquartered in Shanghai, China, and primarily engaged in the manufacturing, research and development and distribution of pharmaceutical products and medical devices. It is listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange.
- (4) Customer D is a public company headquartered in Jiangsu, China, and primarily engaged in the wholesale and retail of pharmaceutical products. It is listed on the Shanghai Stock Exchange.
- (5) Customer E is a public company headquartered in Chongqing, China, and primarily engaged in the distribution of medicine, research and development of medicine and the production of medical devices. It is listed on the Shenzhen Stock Exchange.

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OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of suppliers of raw materials. Currently, we procure raw materials mainly from suppliers in China. We have established stable collaboration relationships with qualified suppliers for raw materials, which we believe have sufficient capacity to meet our demands. Nevertheless, we believe that adequate alternative sources for such supplies exist. We select our suppliers by considering their qualifications, compliance with relevant regulations and industry standards, manufacturing facilities, production quality, prices, business scale, market share, reputation, and after-service quality. During the Track Record Period, we did not experience any material disputes with suppliers, difficulties in procurement, or interruptions in our operations due to a delay in delivery of raw materials.

In 2024 and the nine months ended September 30, 2025, our purchases from our five largest suppliers amounted to RMB30.8 million and RMB32.9 million, respectively, accounting for 18.1%, and 25.2% of our total purchases in the respective period, respectively, and purchases from our largest supplier alone accounted for 5.4%, and 8.2% of our total purchases in the respective period, respectively. We pay some of our five largest suppliers in advance, and for the rest, we generally have a credit period of up to 35 days.

During the Track Record Period, none of our Directors, their respective associates, nor any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company’s issued share capital) had any interest in any of our five largest suppliers. During the Track Record Period, none of our major suppliers are our customers. All of our five largest suppliers during each year of the Track Record Period were Independent Third Parties.

COMPETITION

The pharmaceutical industry is evolving and highly competitive. We face competition from other biopharmaceutical companies and emerging biotechnology companies engaged in the research, development, production, marketing or sales of pharmaceutical products. The identities of our key competitors vary by product and, in certain cases, our competitors may have greater financial and research and development resources than us, may elect to focus these resources on developing and marketing products that are substitutes for our products, and may have broader sales and marketing infrastructure with which to do so.

We believe that our capability to develop innovative products, to apply technologies to all production lines, and to maintain an efficient operational model provides us with a competitive edge, enabling us to distinguish ourselves from competitors and secure long-term growth. See “Industry Overview” for more details.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our principal insurance policies cover property loss, employee benefits liability and AEs in clinical trials. We currently do not maintain insurance for environmental liability. Please refer to “Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources” in this document.

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We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. During the Track Record Period, we had not made or been the subject of any material insurance claims.

EMPLOYEE

As of September 30, 2025, we had 535 full-time employees, all of whom were based in China. The following table sets forth the details of our employees by function:

Functions	Number of Employees	Percentage
Research and development	89	16.6%
Manufacturing	120	22.4%
Technical support	86	16.1%
Sales and marketing	162	30.3%
Administration	78	14.6%
Total	535	100.0%

We recruit employees primarily through referrals, headhunters, online job portals and campus job fairs. We and employees enter into individual employment contracts covering matters including salary, bonuses, employee benefits, confidentiality obligations, non-compete clauses, work product and intellectual property transfer clauses and reasons for contract termination. We strive to provide employees with comprehensive social benefits, a safe working environment and diverse career development opportunities.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any labor disputes or strikes that could have a material and adverse effect on our business, financial condition or results of operations.

PROPERTIES

As of September 30, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), 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 of our interests in land or buildings. As of September 30, 2025, no single property interest of ours for property activities had a carrying amount above 1% of our total assets.

Owned Properties

Land

As of the Latest Practicable Date, we had right to use three parcels of land in China, with an aggregate gross site area of approximately 86,778 square meters, which are primarily used as our office, research and development, manufacturing facilities and warehouse. As of the Latest Practicable Date, our rights to use such lands were lawful and valid, and there were no disputes or potential disputes over the ownership over such lands.

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Buildings

As of the Latest Practicable Date, we owned 15 properties in China, with an aggregate gross floor area of approximately 47,352 square meters, which are primarily used as our office, research and development, manufacturing facilities and warehouse. As of the Latest Practicable Date, we had obtained the building ownership certificates for them all.

Lease Properties

As of the Latest Practicable Date, we leased one parcel of land in China, with an aggregate land area of approximately 238,531 square meters. The land was originally intended for research relating to mulberry cultivation, and is currently used by a third party for agricultural cultivation. As advised by our PRC Legal Advisor based on confirmation from the competent regulatory authorities, such use of the land was not in violation of applicable PRC laws and regulations relating to land administration.

See “Risk Factors — Risks Relating to Our Operations — Failure to comply with laws and regulations regarding our lease properties may adversely affect our business, financial condition and results of operations.”

PERMITS, LICENSES AND OTHER APPROVALS

Our PRC Legal Adviser has advised, that as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations in China. The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

<u>License/Permit</u>	<u>Issuing Authority</u>	<u>Holder</u>	<u>Grant Date</u>	<u>Expiration Date</u>
Pharmaceutical Production License (藥品生產許可證)	Beijing Medical Products Administration (北京市藥監局)	Our Company	December 8, 2023	October 23, 2028
Pharmaceutical Production License (藥品生產許可證)	Guangxi Medical Products Administration (廣西壯族自治區藥 監局)	Guangxi Wehand-Bio	December 14, 2023	December 19, 2026

We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable.

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AWARDS AND RECOGNITION

The table below sets forth a summary of the major awards and recognition we received during the Track Record Period:

Award/Recognition	Year of Grant	Issuing Authority
National Specialized and Innovative “Little Giant” Enterprise (國家專精特新「小巨人」企業)	2025	Ministry of Industry and Information Technology (工業和信息化部)
Second Prize of the Chinese Medical Science and Technology Award (中華醫學科技獎二等獎)	2025	Chinese Medical Association (中華醫學會)
Individual Manufacturing Champion Enterprise of Guangxi Zhuang Autonomous Region (廣西壯族自治區製造業單項冠軍企業)	2024	Department of Industry and Information Technology of Guangxi Zhuang Autonomous Region (廣西壯族自治區工業和信息化廳)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to social responsibility and recognize the importance of environmental, social, and governance (the “ESG”) factors in our path towards sustainable development.

Governance

ESG Governance Structure

Our ESG governance structure authorized by the Board of Directors comprises three tiers: the ESG Committee (an internal organization), an ESG Office, and the ESG Working Group. As the company’s ESG oversight and management body, the ESG Committee is responsible for monitoring and managing our ESG management strategies, policies, and performance, and reports regularly to the Board of Directors. The ESG Office is responsible for implementing and enforcing the ESG Committee’s ESG action plans, coordinating the ESG Working Group formed by relevant departments, and jointly implementing specific ESG-related measures. The ESG Working Group is composed of multiple ESG-related functional departments, jointly responsible for the implementation of relevant policies and objectives, promoting the implementation and realization of ESG issues, monitoring the implementation of ESG issues, and regularly collecting, compiling, and reporting on the progress, performance, and case studies of ESG issues.

Integrated Operational Management

We have established a systematic and standardized management system covering the entire operational process, deeply integrating ESG principles, supply chain management, and full life-cycle quality control of pharmaceutical products.

Supply Chain Management: We conduct regular annual business communications and reviews of qualified suppliers to ensure that their operations consistently meet sustainable development requirements. We require suppliers to establish dedicated environmental management positions, with oversight jointly conducted by the procurement, quality, and environmental, health and safety departments.

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Product Quality Management: We have established a comprehensive quality management system covering material selection, production processes, inspection and release, storage and transportation, and pharmacovigilance. By integrating risk management and control strategies, we continuously improve internal policies and procedures to ensure product quality, safety, and compliance.

Environmental Protection and Indicators

We are dedicated to addressing environmental challenges and minimizing our ecological footprint. We actively implement measures to conserve resources, reduce greenhouse gas emissions, and minimize waste generation.

Resource Consumption

We actively monitor the following indicators to oversee and manage environmental issues. We remain committed to promoting the efficient use of resources and energy, reducing energy consumption, and improving energy utilization. We emphasize the implementation of resource recycling throughout production and operations to promote sustainable development.

Resource	Consumption	Year ended December 31, 2024	Nine months ended September 30, 2025	Consumption intensity	Year ended December 31, 2024	Nine months ended September 30, 2025
Gasoline	liters	8,793	9,470	liters/RMB100 million	4,168	4,571
Diesel	liters	3,736	6,235	liters/RMB100 million	1,771	3,010
Natural gas	cubic meters	7,052	6,183	cubic meters/ RMB100 million	3,343	2,984
Electricity	kWh	10,618,275	8,635,551	kWh/RMB100 million	5,032,800	4,168,351
Water	tonnes	549,726	428,642	tonnes/ RMB100 million	260,557	206,904

Pollutant Emissions

We continuously reduce environmental impact through stringent emissions management and the application of advanced technologies. The following table sets forth exhaust gas and greenhouse gas emissions for the periods indicated.

Emission type	Key performance indicator	Unit	Year ended December 31, 2024	Nine months ended September 30, 2025
Exhaust gas emissions	Nitrogen oxides (NOx)	tonnes	0.2	0.2
	Sulfur oxides (SOx)	tonnes	0.00019	0.00016
	Particulate matter (PM)	tonnes	0.014	0.010
	Total exhaust gas emissions	tonnes	0.2	0.2

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<u>Emission type</u>	<u>Key performance indicator</u>	<u>Unit</u>	<u>Year ended December 31, 2024</u>	<u>Nine months ended September 30, 2025</u>
	Exhaust gas emission intensity	tonnes/ RMB100 million	0.1	0.1
Greenhouse gas emissions	Direct greenhouse gas emissions	tonnes of CO ₂ equivalent	31.4	28.6
	Indirect greenhouse gas emissions	tonnes of CO ₂ equivalent	14,310.3	11,627.3
	Total greenhouse gas emissions	tonnes of CO ₂ equivalent	14,341.7	11,655.9
	Greenhouse gas emission intensity	tonnes/ RMB100 million	6,797.6	5,626.3

Emission Reduction Measures and Targets

We actively respond to the national “dual-carbon” goals and adhere to the principles of sustainable development. We have established environmental protection management systems, which set out requirements for environmental protection and pollutant emission reduction, with the aim of preventing environmental pollution and fulfilling our social responsibility for environmental protection. We aim to reduce carbon emissions intensity by 3% per unit of production over the next three to five years.

We continuously improve our waste management system in accordance with national regulatory standards. High-concentration chemical waste liquids generated during our laboratory activities are strictly prohibited from being discharged directly into sewage pipelines and are instead centrally collected and managed as hazardous waste. We have established dedicated hazardous waste storage facilities and, by leveraging the national solid waste management platform, maintain comprehensive hazardous waste management ledgers.

Social Responsibility

Social responsibility is a core element of our growth strategy, allowing us to actively promote the public interest and generate sustainable value for stakeholders. In line with this commitment, we have established a comprehensive quality management system covering material selection, manufacturing, inspection and release, storage and transportation, and pharmacovigilance, and, in conjunction with its risk management and control strategies, continuously refine our in-house policies and procedures to ensure product quality, safety and regulatory compliance, thereby supporting its stable operations and safeguarding public health.

Employment Practices

We focus on building a diverse and high-caliber workforce. We resolutely implement the principle of equal employment and prohibit unequal recruitment or assessment practices based on gender, age, race, religious belief, or other factors. As of September 30, 2025, female employees accounted for 48.0% of our workforce, reflecting our ongoing commitment to gender equality. We have established management systems covering recruitment, employment, remuneration, and training, effectively safeguarding employees’ rights and interests.

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Training and Development

We have established a comprehensive talent development strategy. Within the R&D system, we strengthen employees’ project management and execution capabilities through a project accountability system. For management positions, we prioritize the selection of high-potential employees and cultivate them through executive mentorship, as well as external expert-led industry training, gradually forming a systematic talent pipeline.

Rural Revitalization

By applying mulberry twig valorization technology, we convert discarded mulberry twigs into high value-added biopharmaceutical raw materials, increasing mulberry farmers’ income by approximately 30.0% to 40.0% per mu, effectively promoting local employment and driving rural economic development. This initiative has not only increased farmers’ incomes but also leveraged new quality-driven productive forces to empower rural revitalization, demonstrating our comprehensive strengths in rural revitalization and technological innovation.

Participation in Community Development Funds

We actively participate in community development funds by providing financial donations and technical support to advance rural revitalization, ecological development, and key child assistance programs. In 2024, we actively participated in a rural revitalization assistance initiative in Nandan County organized by the Guangxi Zhuang Autonomous Region Drug Administration. The contributions were earmarked for improving conditions in rural primary schools, enhancing infrastructure such as water supply, electricity, and roads, and promoting the development of village collective economies.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

We may, from time to time, become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. 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. See “Risk Factors — Risks Relating to Our Operations — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.”

Compliance

During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations. See “Regulatory Overview” for more information about the laws and regulations applicable to us.

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RISK MANAGEMENT AND INTERNAL CONTROL

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted and will adopt the following risk management measures: (i) we design a comprehensive set of policies to identify, analyze, manage and monitor various risks, and periodically assess and update our risk management policies; (ii) our Board is responsible for overseeing the overall risk management and internal control; (iii) our Audit Committee is authorized to review and evaluate our financial control, risk management and internal control system. See “Directors and Senior Management — Management and Corporate Governance — Board Committee — Audit Committee” for the composition of the Audit Committee and the members’ qualifications and experience; (iv) we will 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; and (v) we will continue to organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Internal Control on Anti-bribery

We maintain a strict code of conduct and anti-corruption policies among our employees and distributors. We strictly prohibit bribery or other improper payments in our business operations. This prohibition applies to all business activities, whether involving government officials or healthcare professionals. Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage.

We have adopted comprehensive internal control measures for anti-corruption and anti-bribery by (i) providing regular anti-corruption and anti-bribery compliance training for senior management and employees to enhance their knowledge and compliance with applicable law and regulations, (ii) monitoring books, records and accounts with respect to supplier management, tendering and bidding process management and financial payment management to identify any false, misleading or undisclosed entries, and (iii) establishing whistle-blowing mechanisms and encouraging all employees, suppliers, customers and other third parties to report suspicious activities and violations of the policies.

Internal Control on Data Privacy Protection

We have established procedures to protect the confidentiality of patients’ personal data. We maintain policies which require our personnel to be trained on collecting and safeguarding personal information. We also require our CROs to safeguard the data in their possession. Access to clinical trial data has been strictly limited to authorized personnel only according to the GCP and relevant regulations.

Additionally, we require external parties and internal employees involved in clinical trials to comply with applicable confidentiality requirements. Data can only be used for the intended purpose, as agreed by the patients and the data usage shall be consistent with the informed consent form. We have a number of ongoing or planned clinical trials. Any transfer of clinical trial data in connection with our product development efforts and regulatory communications is subject to the applicable data and privacy protection laws.

As advised by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material penalty due to data privacy issues.