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Application Proof of

Beijing Wehand-Bio Pharmaceutical Co., Ltd.*

北京五和博澳藥業股份有限公司

(the “**Company**”)

(A joint stock company incorporated in the People’s Republic of China with limited liability)

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Beijing Wehand-Bio Pharmaceutical Co., Ltd.*

北京五和博澳藥業股份有限公司

(A joint stock company incorporated in the People’s Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per [REDACTED], plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)

Nominal value : RMB1.00 per H Share

[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]



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The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us on or around [REDACTED]. The [REDACTED] will be no more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED], the [REDACTED] will not proceed and will lapse.

The [REDACTED] (for itself and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] below that is stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. See “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” for further details.

Prior to making an [REDACTED], prospective [REDACTED] should consider carefully all of the information set out in this document, including but not limited to the risk factors set out in the section headed “Risk Factors” in this document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED]” for further details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States or to, or for the account or benefit of US persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

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EXPECTED TIMETABLE

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EXPECTED TIMETABLE

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EXPECTED TIMETABLE

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE [REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by and should be read in conjunction with, the full text of this document. You should read the whole document before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any investment. Some of the particular risks associated with [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

In particular, we are a biotechnology company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules as we do not meet the requirements under Rules 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with [REDACTED] in companies like ours. In addition, we have designated WH007, WH006 and WH002 as our Core Products to satisfy the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. We may continue to incur substantial costs and expenses in relation to the R&D activities for the Core Products, and our Core Products may not be successfully developed or marketed. Your [REDACTED] decision should be made in light of these considerations.

OVERVIEW

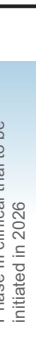
We are a biopharmaceutical company focused on innovation in natural medicines (“**Natural Medicine(s)**”) since our inception in 2010, with capabilities spanning discovery, development, industrialization and commercialization of high-barrier, innovative therapies. In parallel, we develop drug delivery system (“**DDS**”) to address technical bottlenecks of in vivo drug delivery. As of the Latest Practicable Date, we have established a product pipeline comprising (i) one commercialized product, *Sangbo’en*, for type 2 diabetes, (ii) three Core Products, including WH007 for polycystic ovary syndrome (“**PCOS**”), WH006 for obesity, and WH002 for neoadjuvant treatment for breast cancer, and (iii) five other drug candidates.

Natural Medicines refer to naturally derived medicinal substances and their formulations developed under Modern Medical Theories. Under China’s drug registration classification framework, Natural Medicines are registered by reference to the TCM classification pathway. See “Regulatory Overview — Laws and Regulations relating to our Business — Regulations on Drug Administration — NDA, Approval and Renewal.”

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

SUMMARY

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

Pipeline	Innovation Type	Indication	Pre-clinical Research	IND	Phase I	Phase II	Phase III	NDA	Commercial Right ⁽¹⁾	Next Milestone
WH001 <i>Sangbo'en</i>	Molecular entity-Natural Medicine	Type 2 diabetes						NMPA ⁽²⁾	Global ⁽³⁾	N/A ⁽³⁾
WH007	Molecular entity-Natural Medicine	PCOS							Global	Phase II clinical trial to be initiated in 2026
WH006	Molecular entity-Natural Medicine	Obesity							Global	Phase II clinical trial to be completed in 2027
WH002	DDS	Neoadjuvant treatment for breast cancer							Global	Phase III clinical trial to be initiated in 2026
WH008	Molecular entity-Natural Medicine	MASH							Global	IND filing to the NMPA
WH004	DDS	Hypertension							Global	IND approval expected to be obtained in H1 2026
WH010	DDS	Gastric cancer							Global	Phase II clinical trial to be initiated
WH003	Molecular entity-Natural Medicine	Inflammatory and Immune							Global	IND filing to the NMPA
WH009	Molecular entity-DDS	Stroke and dementia							Global	IND filing to the NMPA

 Commercialized product  Core products  Other drug candidates

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 Institute of Materia Medica, Chinese Academy of Medical Sciences (中國醫學科學院藥物研究所) (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.

SUMMARY

BUSINESS MODEL

Our innovation is built upon the integrated R&D capability covering discovery and industrialization of Natural Medicines and DDS. We independently develop our Core Products WH007 and WH006. WH002 was assigned to us by the IMM as well as the subsequent rights to develop, manufacture, and commercialize WH002. At the time of such assignment, WH002 was still in preclinical research stage. For further details of the assignment arrangements, please see “Business — Collaboration Arrangement.”

Complementing our R&D activities, we have built industrialization and manufacturing capabilities to support scale-up and commercialization. We have established good manufacturing practices (“GMP”)-standard commercial-scale in-house manufacturing facilities. We believe that our in-house manufacturing capability enhances the efficiency of our development and manufacturing processes, allowing us to achieve reliable quality and cost control, and ensure stable and timely supply of clinical trial sample and commercial drug to weather any supply chain disruptions. In addition, we have established an in-house sales and marketing team which engages in the promotion of our products through various marketing activities and sales channels. Leveraging existing experience for commercialized product, we believe our in-house commercial capabilities will provide strong support for the upcoming commercialization and marketing of our drug candidates.

OUR COMMERCIALIZED PRODUCT AND CORE PRODUCTS

Our Commercialized Product *Sangbo'en*

Sangbo'en is a Natural Medicine (currently classified as Traditional Chinese Medicine (“TCM”) Category 1.2) indicated for the treatment of type 2 diabetes. In addition to potent glucose lowering effects, it exhibits multiple pharmacological effects that support more extensive metabolic management in diabetic patients. 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. *Sangbo'en* is developed using Mulberry Twig (SangZhi) Alkaloid (“SZ-A”) derived from mulberry twigs as active pharmaceutical ingredients (“API(s)”). SZ-A is a group of active components with well-defined material basis, stable and controllable quality, and clear mechanism of action (“MOA”).

Sangbo'en obtained new drug application (“NDA”) approval from the National Medical Products Administration of China (“NMPA”) in March 2020, and was included in the National Reimbursement Drug List (“NRDL”) in the same year.

Our Core Product WH007

WH007 is a Natural Medicine candidate (classified as TCM Category 2.3) using SZ-A as the API and is intended for PCOS. According to CIC, the prevalence of PCOS among women of reproductive age in China 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%. Current clinical management primarily focuses on symptomatic treatment but does not address the underlying pathophysiology of PCOS. According to CIC, as of the Latest Practicable Date, no pharmacological therapies have been approved globally with a specific indication for PCOS.

SUMMARY

WH007 targets core pathophysiological mechanisms through the regulation of hypothalamic — pituitary — ovarian axis (“**HPO axis**”) of PCOS. Preclinical studies have shown that WH007 significantly improves estrous cycles, polycystic ovary morphology, and metabolic abnormalities, regulates hormone levels, and significantly restores fertility. In IIT, WH007 has been shown to significantly improve the menstrual cycle and free androgen index (“**FAI**”) in patients. In addition, WH007 presents favorable safety profile with no reproductive toxicity.

WH007 obtained the investigational new drug (“**IND**”) approval from the NMPA in December 2025 to conduct Phase II clinical trial.

Our Core Product WH006

WH006 is a Natural Medicine candidate (classified as TCM Category 2.3) using SZ-A as the API and is intended for obesity. 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%. Preclinical studies have shown that WH006 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, with its Phase I clinical trial initiated in May 2024 and completed in November 2024. In August 2025, we completed Phase II clinical trial registration and disclosure on the Center for Drug Evaluation (“**CDE**”) registration platform, and initiated Phase II clinical trial.

Our Core Product WH002

WH002 is a paclitaxel-cholesterol conjugated tumor-targeting lipid emulsion (classified as Chemical Drug Category 2.2). WH002 was formulated based on a lipid nano-carrier technology built on cholesterol-based supramolecular complexes. We focus WH002 on neoadjuvant treatment for Luminal subtype breast cancer. According to CIC, in 2024, there were approximately 2.4 million newly diagnosed cases of breast cancer worldwide. Human epidermal growth factor receptor 2 (“**HER2**”)-negative breast cancer accounted for approximately 77.0%–80.0% of all cases, of which around 80.0% were hormone receptor (“**HR**”)-positive (HR + /HER2-, the “**Luminal subtype**”) Luminal subtype. WH002 has favorable tumor tissue accumulation, penetration and tumor cell targeting, accompanied by lower systemic toxicity, an increased tolerated dose and improved anti-tumor activity.

WH002 obtained the IND approval from the NMPA in April 2019, with its Phase I clinical trial initiated in April 2022 and completed in December 2023, and its Phase II clinical trial initiated in June 2024 and completed in November 2025. We intend to initiate the Phase III clinical trial in 2026.

OUR STRENGTHS

We attribute our success to and distinguish ourselves by the following key competitive strengths of (i) our pioneering Natural Medicine *Sangbo'en* and Core Products for metabolic diseases through indication expansion; (ii) our anti-tumor candidate demonstrates improvements of safety, efficacy and convenience; (iii) platform capabilities enabling end-to-end development of Natural Medicines and DDS; (iv) academically driven commercialization supported by a nationwide distribution network; and (v) experienced senior management and industry-leading R&D capabilities. See “Business — Our Strengths.”

SUMMARY

OUR STRATEGIES

We will continue to expand our business following the strategies of (i) advancing clinical development of our pipeline products; (ii) expanding overseas commercialization and international clinical registration; (iii) enhancing production capacity and efficiency; (iv) executing a targeted commercialization strategy; and (v) strengthening our interdisciplinary R&D and commercialization talent pipeline. See “Business — Our Strategies.”

RESEARCH AND DEVELOPMENT

We consistently devote resources to research and development to pave for long-term growth. In 2024 and the nine months ended September 30, 2024 and 2025, our research and development costs were RMB58.0 million, RMB38.3 million and RMB41.5 million, respectively. 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.

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. 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. Building on our highly independent R&D efforts, our R&D activities also benefit from technical advice and scientific communication with external experts and research institutions. See “Business — Research and Development.”

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had in China 278 registered trademarks and in other jurisdictions two registered trademarks and nine domain names, which we consider to be material to our business. 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 patent in other jurisdictions, and (ii) 42 patent applications, including eight patent applications in China, and 34 patent applications in other jurisdictions. See “Business — Intellectual Property” for details.

COMMERCIALIZATION

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. 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. See “Business — Marketing, Sales and Commercialization” for details.

SUMMARY

MANUFACTURING

As of the Latest Practicable Date, we operated three manufacturing facilities, including (i) Guangxi SZ-A API production line, responsible for the production of SZ-A API, (ii) Beijing SZ-A tablets production line, responsible for the production of *Sangbo'en* for commercial sale as well as WH007 and WH006 samples for clinical trial, and (iii) Beijing paclitaxel tumor-targeting lipid emulsion production line, responsible for the production of WH002 samples for clinical trial. See “Business — Manufacturing” for details.

OUR CUSTOMERS AND SUPPLIERS

All of our customers are 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, respectively. See “Business — Our Customers” for details.

During the Track Record Period, our suppliers primarily consisted of suppliers 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. See “Business — Our Suppliers” for details.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. These risks are set out in the section headed “Risk Factors” in this document. Some of the major risks we face include (i) if we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected; (ii) clinical development involves a lengthy and costly process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future trial results; (iii) we may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success; (iv) if we encounter delays or difficulties enrolling subjects in our clinical trials, our clinical development activities could be delayed; and (v) our drug candidates may cause undesirable adverse events (“AE(s)”) or adverse drug reactions (“ADR(s)”). See “Risk Factors” for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants’ Report in Appendix I to this document, including the accompanying notes and the information set out in “Financial Information” in this document.

SUMMARY

Summary of Historical Results of Operations

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the periods indicated.

	Year ended December 31,		Nine months ended September 30,			
	2024		2024		2025	
	<i>RMB'000</i>	<i>(%)</i>	<i>RMB'000</i>	<i>(%)</i>	<i>RMB'000</i>	<i>(%)</i>
			<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Revenue	207,953	100.0	162,075	100.0	207,333	100.0
Cost of sales	(57,969)	(27.9)	(45,659)	(28.2)	(53,667)	(25.9)
Gross profit	149,984	72.1	116,416	71.8	153,666	74.1
Loss before tax	(108,946)	(52.4)	(66,865)	(41.3)	(45,391)	(21.9)
Loss and total comprehensive loss for the year/period	(109,518)	(52.7)	(67,426)	(41.6)	(45,717)	(22.1)

See “Financial information — Review of Historical Results of Operations” for details.

Non-IFRS measures

The following table reconciles adjusted net loss (non-IFRS measure) and adjusted net EBITDA (non-IFRS measure) for the periods indicated:

	Year ended December 31,	Nine months ended September 30,	
	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year/period	(109,518)	(67,426)	(45,717)
Add:			
Share-based payment expenses	20,708	16,985	6,508
[REDACTED]	—	—	[REDACTED]
Adjusted net loss (non-IFRS measure)	(88,810)	(50,441)	(36,854)
Add:			
Income tax expenses	572	561	326
Interest costs	10,540	8,074	6,220
Depreciation	22,989	17,392	16,433
Amortization	11,943	8,952	8,900
Less:			
Interest income	1,602	1,296	1,276
Adjusted EBITDA (non-IFRS measure)	(44,368)	(16,758)	(6,251)

SUMMARY

Summary of Selected Items of Financial Positions

The following table sets forth selected information from our combined statements of financial position as of the dates indicated.

	As of December 31, 2024 <i>RMB'000</i>	As of September 30, 2025 <i>RMB'000</i> <i>(Unaudited)</i>
Total current assets	279,640	342,695
Total non-current assets	398,737	389,816
Total assets	678,377	732,511
Total current liabilities	243,836	235,494
Total non-current liabilities	149,862	120,947
Total liabilities	393,698	356,441
Net Assets	284,679	376,070

See “Financial Information — Selected Balance Sheet Items” for details.

Summary of Combined Cash Flows Statements

The following table sets forth selected cash flow statement information for the periods indicated.

	Year ended December 31, 2024 <i>RMB'000</i>	Nine months ended September 30, 2024 <i>RMB'000</i> <i>(Unaudited)</i>	2025 <i>RMB'000</i> <i>(Unaudited)</i>
Net cash flow used in operating activities	(87,057)	(64,924)	(22,531)
Net cash flow used in investing activities	(101,454)	(29,990)	(9,725)
Net cash flow from/(used in) financing activities	155,910	(2,734)	83,064
Net (decrease)/increase in cash and cash equivalents	(32,601)	(97,648)	50,808
Cash and cash equivalents at the beginning of the year/period	144,048	144,048	111,447
Cash and cash equivalents at end of year/period	111,447	46,400	162,255

See “Financial Information — Liquidity and Capital Resources — Cash Flows Analysis.”

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditure and lease payments. We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million in the [REDACTED], based on an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED]. Assuming an average cash burn rate going forward of 1.0 time the level in the nine months ended September 30, 2025, which is HK\$[REDACTED] per month, we estimate that (i) our cash and cash equivalents on hand as of September 30, 2025 will be able to maintain our financial viability for 38 months from September 30, 2025, (ii) or if we take into account all

SUMMARY

estimated net [REDACTED] from the [REDACTED], [REDACTED]. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing at least 12 months after the completion of the [REDACTED].

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated.

	As of or for the year ended December 31, 2024	As of or for the nine months ended September 30, 2025
Gross profit margin ⁽¹⁾ (%)	72.1	74.1
Asset-liability ratio ⁽²⁾ (%)	58.0	48.7

Notes:

- (1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.
- (2) Asset-liability ratio was calculated dividing total liabilities by total assets as of the dates indicated and multiplied by 100%.

PRE-[REDACTED] INVESTMENTS

Throughout the development of our Group, we received several rounds of Pre-[REDACTED] Investments in a total amount of approximately RMB1.1 billion. The valuation of our Company upon completion of the last round of the Pre-[REDACTED] Investments is approximately RMB4,038.0 million. Our broad and diverse base of Pre-[REDACTED] Investors includes Sophisticated Investors, such as dedicated healthcare funds and biotech funds as well as investment funds, namely, Beijing Pharmaceutical Fund, Langsheng Investors and Longpan Investors, each of whom has made meaningful investment in our Company at least six months before the [REDACTED], holding approximately [REDACTED]%, [REDACTED]% and [REDACTED]% of the total issued Shares respectively, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). For details, please refer to “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. HUANG Yuesheng, Mr. HU Dingfei and Mr. YU Xiecai were directly interested in and entitled to exercise approximately 16.09%, 8.34% and 8.12%, respectively, of the voting right at our general meetings. As detailed in “History, Development and Corporate Structure — Acting in Concert” in this document, in December 2018, Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei entered into an acting-in-concert agreement, pursuant to which, Mr. HUANG Yuesheng, Mr. HU Dingfei and Mr. YU Xiecai were and will be deemed as a group of Shareholders acting in concert as of the Latest Practicable Date and after completion of the [REDACTED]. Mr. HUANG Yuesheng acts as the general partner of Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe, and is accordingly entitled to exercise the respective voting rights attached to the Shares held by them, which represents 1.57%, 1.57%, 0.78%, 3.92% and 15.28% of the voting rights at our general meetings as of the Latest Practicable Date, respectively. Therefore, as of the Latest Practicable Date, Mr. HUANG

SUMMARY

Yuesheng, Mr. HU Dingfei, Mr. YU Xiecai, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe, directly and indirectly, were interested in and entitled to exercise a total of approximately 55.67% of the voting right at our general meetings.

Accordingly, immediately following completion of the [REDACTED], each of Mr. HUANG Yuesheng, Mr. HU Dingfei, Mr. YU Xiecai, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe will together constitute a group of our Controlling Shareholders under the Listing Rules and will be entitled to exercise approximately [REDACTED]% of the voting power at our general meetings (assuming the [REDACTED] is not exercised). For details, please refer to “Relationship with Our Controlling Shareholders” in this document.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

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 “Business — Legal Proceedings and Non-Compliance” for details.

[REDACTED]

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period and up to the date of this document. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [REDACTED] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future distribution of dividends will be subject to approval by our shareholders’ meeting and may be based on our future operations and earnings,

SUMMARY

capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant as appropriate. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future. See “Financial Information — Dividends” for details.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for the research, development and commercialization of our Core Products;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used to enhance our overall production capacity; and
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and general corporate purposes.

See “Future Plans and Use of [REDACTED].”

[REDACTED]

[REDACTED] represent professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK\$[REDACTED], representing [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming the [REDACTED] are not exercised and based on the [REDACTED] of HK\$[REDACTED]). We estimate the [REDACTED] to consist of (i) approximately HK\$[REDACTED] in [REDACTED] related fees, and (ii) approximately HK\$[REDACTED] in non-[REDACTED] fees, which consist of (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. During the Track Record Period, [REDACTED] of approximately HK\$[REDACTED] was charged to our consolidated income statements and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. After the Track Record Period, approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

SUMMARY

RECENT DEVELOPMENT

Our recent developments of our drug candidates since the end of the Track Record Period and up to the Latest Practicable Date include:

- In November 2025, we completed the Phase II clinical trial of WH002; and
- In December 2025, we obtained the IND approval from the NMPA to conduct Phase II clinical trial of WH007.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there had been no material adverse change in our financial or operational position or prospects since September 30, 2025, being the end date of our latest consolidated statements of financial position, and there has been no event since September 30, 2025 that would materially affect the information shown in the Accountants’ Report in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set forth below. Certain technical terms are explained in “Glossary.”

“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period, as included in Appendix I to this document
“Affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company adopted on January 26, 2026 with effect from the [REDACTED], as amended, supplemented, or otherwise modified from time to time, a summary of which is set out in “Appendix III — Summary of Articles of Association” to this document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“China” or “PRC”	the People’s Republic of China excluding, for the purposes of this document, Hong Kong, Macau and Taiwan Province of the People’s Republic of China
“CIC”	China Insights Industry Consultancy Limited, an independent global market research and consulting company
“CIC Report”	the independent industry report prepared by CIC as commissioned by us
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “we”, “our” or “us”	Beijing Wehand-Bio Pharmaceutical Co., Ltd. (北京五和博澳藥業股份有限公司), a limited liability company established in the PRC on May 7, 2010 and converted into a joint stock company with limited liability on March 30, 2021, formerly known as Beijing Wehand-Bio Pharmaceutical Technology Development Co., Ltd. (北京五和博澳醫藥科技發展有限公司)
“Company Law” or “PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Compliance Advisor”	Rainbow Capital (HK) Limited
“Controlling Shareholder(s)”	has the meaning given to it under the Listing Rules and, unless the context otherwise requires, refers to Mr. HUANG Yuesheng, Mr. HU Dingfei, Mr. YU Xiecai, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe as further detailed in the section headed in “Relationship with Our Controlling Shareholders” in this document
“Conversion of Unlisted Shares into H Shares”	the conversion of [REDACTED] Unlisted Shares into H Shares on a one-for-one basis upon the completion of [REDACTED]. Filing of such conversion of Unlisted Shares into H shares [has been completed] with the CSRC on [•] and an application for H Shares to be [REDACTED] on the Stock Exchange has been made to the [REDACTED]
“core connected person”	has the meaning ascribed thereto under the Listing Rules
“Core Product”	has the meaning ascribed thereto in Chapter 18A of the Listing Rules; for the purpose of this document, our Core Product refers to WH007, WH006 and WH002
“CSDC”	China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Director(s)”	the director(s) of our Company
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“FDA”	the United States Food and Drug Administration
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Group”, “our Group”, “we”, “our” or “us”	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
“Guangxi Wehand-Bio”	Guangxi Wehand-Bio Pharmaceutical Co., Ltd. (廣西五和博澳藥業有限公司), a limited liability company established in the PRC on April 8, 2014 and a wholly-owned subsidiary of our Company
“Guide for New Listing Applicants” or “Guide”	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be [REDACTED] for and paid up in Hong Kong dollars and to be [REDACTED] to [REDACTED] on Stock Exchange
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board
“IMM”	Institute of Materia Medica, Chinese Academy of Medical Sciences (中國醫學科學院藥物研究所), a research institute focused on drug discovery, pharmacology, and the development of traditional and modern medicines
“Independent Third Party(ies)”	person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, is/are not a connected person of our Company
“Jiujiang Ruida”	Jiujiang Ruida Economic Consulting Center (Limited Partnership) (九江瑞達經濟諮詢中心(有限合夥)) is a limited partnership established under the laws of the PRC on November 16, 2020, and one of our Controlling Shareholders
“Jiujiang Ruihe ”	Jiujiang Ruihe Enterprise Management Center (Limited Partnership) (九江瑞和企業管理中心(有限合夥)) is a limited partnership established under the laws of the PRC on August 11, 2020, and one of our Controlling Shareholders
“Jiujiang Ruijin”	Jiujiang Ruijin Information Consulting Center (Limited Partnership) (九江瑞津信息諮詢中心(有限合夥)) is a limited partnership established under the laws of PRC on November 20, 2020, and one of our Share Incentive Platforms
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Latest Practicable Date”	February 18, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Macau Wehand-Bio”	Macau Wehand-Bio Pharmaceutical Co. Ltd. (澳門五和博澳藥業有限公司), a company established in Macau on April 16, 2025 and a wholly-owned subsidiary of our Company
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“NDRC”	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
“Nomination Committee”	the nomination committee of the Board
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Legal Advisor”	Grandway Law Offices, the legal advisor to the Company as to the laws of the PRC
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors, the details of which are set out in “History, Development and Corporate Structure”
“Pre-[REDACTED] Investor(s)”	the investor(s) as set out in “History, Development and Corporate Structure — Pre-[REDACTED] Investments — Information on Our Pre-[REDACTED] Investors”
[REDACTED]	[REDACTED]
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares

DEFINITIONS

“Share Incentive Platform(s)”	the share incentive platforms established for the purpose of implementing the share incentive scheme, namely, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No. 4, Wehand Tongyuan No.5 and Jiujiang Ruijin
“Shareholder(s)”	holder(s) of our Share(s)
“Sole Sponsor” and [REDACTED]	Huatai Financial Holdings (Hong Kong) Limited
“Sophisticated Investor(s)”	has the meaning ascribed to it under the Chapter 2.3 of the Guide for New Listing Applicants
“STA”	State Taxation Administration (中華人民共和國國家稅務總局)
[REDACTED]	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Strategy Committee”	strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Track Record Period”	the fiscal year ended December 31, 2024 and the nine months ended September 30, 2025
“Trial Measures”	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange

DEFINITIONS

“U.S. dollars” or “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“Wehand Dacheng”	Beijing Wehand Dacheng Pharmaceutical Technology Co. Ltd. (北京五和大誠醫藥科技有限公司), a limited liability company established in the PRC on December 20, 2023 and a wholly-owned subsidiary of our Company
“Wehand Tongyuan No.1”	Beijing Wehand Tongyuan No.1 Enterprise Management Center (Limited Partnership) (北京五和同源一號企業管理中心(有限合夥)) is a limited partnership established under the laws of the PRC on January 19, 2020, one of our Controlling Shareholders and one of our Share Incentive Platforms
“Wehand Tongyuan No.2”	Beijing Wehand Tongyuan No.2 Enterprise Management Center (Limited Partnership) (北京五和同源二號企業管理中心(有限合夥)) is a limited partnership established under the laws of PRC on January 12, 2021, one of our Controlling Shareholders and one of our Share Incentive Platforms
“Wehand Tongyuan No.3”	Beijing Wehand Tongyuan No.3 Enterprise Management Center (Limited Partnership) (北京五和同源三號企業管理中心(有限合夥)) is a limited partnership established under the laws of PRC on June 11, 2021, one of our Controlling Shareholders
“Wehand Tongyuan No.4”	Beijing Wehand Tongyuan No.4 Enterprise Management Center (Limited Partnership) (北京五和同源四號企業管理中心(有限合夥)) is a limited partnership established under the laws of PRC on June 11, 2021, and one of our Share Incentive Platforms
“Wehand Tongyuan No.5”	Beijing Wehand Tongyuan No.5 Enterprise Management Center (Limited Partnership) (北京五和同源五號企業管理中心(有限合夥)) is a limited partnership established under the laws of PRC on December 13, 2021, and one of our Share Incentive Platforms
“Zhejiang Wehand-Bio”	Zhejiang Wehand-Bio Pharmaceutical Technology Co. Ltd., (浙江五和博澳醫藥科技有限公司), a limited liability company established in the PRC on November 12, 2024 and a wholly-owned subsidiary of our Company
“%”	percent

For the purpose of this document, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

“1h-PBG”	postprandial 1-hour blood glucose
“2h-PBG”	postprandial 2-hour blood glucose
“ADR(s)”	adverse drug reactions, which are considered to be adverse events related to drugs
“AE(s)”	adverse events
“agonist(s)”	an agent that activates a receptor to produce a biological response
“API(s)”	active pharmaceutical ingredients, any substance or mixture of substances intended to be used in the manufacture of a drug (medicinal) product in order to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure or function of the body
“apoptosis”	a type of programmed cell death
“ATGL”	adipose triglyceride lipase, a rate-limiting enzyme in lipid metabolism that catalyzes the initial step of triglyceride hydrolysis into diacylglycerol and free fatty acids in adipose and non-adipose tissues
“ATP”	adenosine triphosphate, a nucleotide that provides energy to drive and support many processes in living cells, such as muscle contraction, nerve impulse propagation, condensate dissolution, and chemical synthesis
“AUC”	area under the curve, a PK parameter representing the integral of the drug concentration-time curve, reflecting the overall systemic exposure of an organism to a drug
“CAGR”	compound annual growth rate
“Category 2.2 Modified New Chemical Drug”	modified New Chemical Drugs, known active ingredient with new dosage form
“clinical trial”	a type of research carried out on human for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
“C _{max} ”	maximum measured serum concentration
“Cremophor”	a series of nonionic surfactants, primarily composed of ethoxylated castor oil or hydrogenated castor oil derivatives, commonly used as solubilizing and emulsifying agents in pharmaceutical formulations

GLOSSARY OF TECHNICAL TERMS

“CRO(s)”	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
“cyclophosphamide”	a nitrogen mustard-derived alkylating agent used as a chemotherapeutic and immunosuppressive drug, functioning by cross-linking DNA to inhibit cell proliferation
“DAB”	1,4-dideoxy-1,4-imino-D-arabinitol, an iminosugar compound that acts as a glycosidase inhibitor and has been studied for its potential role in modulating carbohydrate metabolism
“DDS(s)”	drug delivery systems
“DLT”	dose-limiting toxicity, a specific adverse effect of a drug that prevents further dose escalation in clinical trials due to unacceptable toxicity levels
“DNJ”	1-deoxynojirimycin
“double-blind”	a clinical trial design in which neither the participants nor the investigators are aware of the treatment assignments, minimizing bias in efficacy and safety evaluation
“DPP-4i”	dipeptidyl peptidase-4 inhibitor, a class of oral hypoglycemics that block the enzyme dipeptidyl peptidase-4 (DPP-4) for the treatment of type 2 diabetes
“Epirubicin”	an anthracycline chemotherapeutic agent that intercalates DNA and inhibits topoisomerase II, leading to cytotoxicity and apoptosis in rapidly dividing cancer cells
“ESG”	environmental, social and governance, a collection of corporate performance evaluation criteria that assess the robustness of a company’s governance mechanisms and its ability to effectively manage its environmental and social impacts
“FA”	Fagomine
“FAI”	free androgen index, a calculated ratio of total testosterone to sex hormone-binding globulin, used to estimate biologically active circulating androgens
“FBG”	fasting blood glucose
“GCP”	good clinical practice
“GD(s)”	gastrointestinal disorder(s)
“GKA”	glucokinase activator, a class of pharmacological agents designed to enhance the activity of glucokinase, a key enzyme involved in glucose sensing and regulation

GLOSSARY OF TECHNICAL TERMS

“glycosidase”	an enzyme that catalyzes the hydrolysis of glycosidic bonds in carbohydrates, glycoproteins, or glycolipids, influencing carbohydrate digestion and metabolism
“GMP”	good manufacturing practice
“GSIS”	glucose-stimulated insulin secretion
“HbA1c”	glycated hemoglobin, formed when hemoglobin joins with glucose in the blood and becomes glycated
“HER2-negative”	human epidermal growth factor receptor 2-negative refers to the status of a tumor that does not exhibit overexpression of the HER2 protein or amplification of the HER2 gene, as determined by validated diagnostic testing methods, such as immunohistochemistry or in situ hybridization
“HOMA-IR”	homeostasis model assessment of insulin resistance, a quantitative index calculated from fasting glucose and insulin levels to estimate insulin resistance and assess metabolic dysfunction
HR + /HER2– breast cancer	the Luminal subtype breast cancer refers to a molecular subtype of breast cancer characterized by the expression of hormone receptors, particularly estrogen receptor, and gene expression patterns resembling those of normal Luminal epithelial cells of the mammary gland
“HOMA- β ”	homeostasis model assessment of β -cell function, a calculated parameter derived from fasting glucose and insulin concentrations to evaluate pancreatic β -cell secretory function
“HPO axis”	hypothalamic — pituitary — ovarian axis refers to the integrated neuroendocrine regulatory system involving the hypothalamus, pituitary gland and ovary, which governs the synthesis and secretion of reproductive hormones
“IIT”	investigator-initiated trial, a clinical trial designed and conducted by an independent investigator rather than a pharmaceutical sponsor, often addressing specific scientific or clinical questions
“IND”	investigational new drug, an application in the drug review process required by a regulatory authority to decide whether a new drug is permitted to initiate clinical trials
“in vitro”	Latin for “within the glass”, referring to studies that are performed with microorganisms, cells, or biological molecules outside their normal biological context
“in vivo”	Latin for “within the living”, referring to studies in which the effects of various biological entities are tested on whole, living organisms or cells, usually animals, including humans, and plants, as opposed to a tissue extract or dead organism

GLOSSARY OF TECHNICAL TERMS

“LC-MS/MS”	liquid chromatography-tandem mass spectrometry
“LDL”	low-density lipoprotein
“LH/FSH”	luteinizing hormone/follicle-stimulating hormone, pituitary gonadotropins that regulate reproductive function, including ovulation, follicular maturation, steroidogenesis, and spermatogenesis
“macrophage polarization”	the functional differentiation of macrophages into distinct phenotypes, such as pro-inflammatory (M1) or anti-inflammatory/tissue-repairing (M2), in response to microenvironmental signals
“MAD”	multiple-dose escalation, a clinical trial design involving sequential administration of increasing doses of a drug to evaluate safety, tolerability, and pharmacokinetics under repeated dosing conditions
“MAH”	marketing authorization holder, the entity responsible for holding the marketing authorization for a medicinal product, ensuring its compliance with regulatory requirements and overseeing its distribution and post-marketing surveillance
“MAPK”	mitogen activated protein kinase, a type of protein kinase that is specific to the amino acids serine and threonine
“MASH”	metabolic dysfunction-associated steatohepatitis
“MET”	metformin, the main first-line medication for the treatment of type 2 diabetes, an FDA-approved antidiabetic agent that manages high blood sugar levels in patients
“MOA”	mechanism of action, the specific biochemical interaction through which a drug substance produces its pharmacological effect
“Modern Medical Theories”	as opposed to Traditional TCM Theories, representing a scientific system of medicine. The two differ significantly in their theoretical foundations, treatment approaches, and diagnostic methods, which in turn lead to different interpretations of disease etiology and therapeutic principles. According to the Introduction to Modern Medicine (《現代醫學概論》), modern medical theories are based on modern science, with anatomy, physiology, and pathology as its core disciplines, focusing on etiological treatment and symptomatic treatment. Diagnostic methods under Modern Medical Theories rely on high-precision instruments, such as X-ray machines, CT scanners, MRI scanners, and other imaging or genetic engineering advanced technologies. Guided by evidence-based medicine, Modern Medical Theories require sufficient scientific evidence for safety and efficacy in the screening and determination of pharmacologically active ingredients, with clearly defined chemical structures and MOA

GLOSSARY OF TECHNICAL TERMS

	Drugs developed and used under the guidance of Modern Medical Theories, such as chemical drugs and Natural Medicines, describe their therapeutic uses in modern medical term as indications, for example, diabetes, malignant tumors, and hypertension. Their efficacy is evaluated using objective measures as clinical endpoints
“monotherapy”	therapy that uses a single drug to treat a disease or condition
“MRT _{0-∞} ”	the mean residence time of a drug calculated over the entire elimination phase, from time zero extrapolated to infinite time, reflecting total systemic exposure duration
“MTD”	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects
“Natural Medicine(s)”	medicines and formulations under the guidance of Modern Medical Theories, prepared by isolating and extracting clearly defined active ingredients from natural resources such as plants, animals, minerals, or microorganisms, according to Article 1 of the TCM Registration Provisions and Article 1 of Natural Medicine Technical Requirement issued by the NMPA, the successor of the former CFDA
“NDA”	new drug application
“neoadjuvant treatment”	a type of therapy (such as chemotherapy) given before surgery to shrink a tumor or reduce disease burden, with the aim of improving the chances of successful surgery and overall treatment outcomes
“NIC”	nicardipine hydrochloride, a calcium channel blocker used to treat hypertension and angina by inhibiting calcium influx into vascular smooth muscle cells
“NMPA”	National Medical Products Administration of China
“NRDL”	National Reimbursement Drug List, which names all the drugs covered by the medical insurance program in full or partially in China
“obesity”	abnormal or excessive fat accumulation in the body, defined as an individual having a body mass index over 28kg/m ² or more in China and 30 kg/m ² or more in the United States, respectively
“ORR”	objective response rate
“overexpression”	condition in which a gene or protein is produced at higher than normal levels, often contributing to disease pathogenesis or altered cellular function

GLOSSARY OF TECHNICAL TERMS

“PBG”	postprandial blood glucose, the concentration of glucose in the blood measured after a meal, used to assess glycemic response and postprandial hyperglycemia
“PCOS”	polycystic ovary syndrome, a common endocrine and metabolic disorder in women characterized by hyperandrogenism, ovulatory dysfunction, and polycystic ovarian morphology
“tpCR”	total pathological complete response, the absence of detectable cancer cells in tissue samples following treatment, typically assessed after neoadjuvant therapy in oncology
“PCT”	the Patent Cooperation Treaty, which assists applicants in seeking patent protection internationally for their inventions, helps patent offices with their patent granting decisions, and facilitates public access to a wealth of technical information relating to those inventions
“Phase I”	phase I clinical trial, a trial in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its efficacy
“Phase II”	phase II clinical trial, a trial in which a drug is administered to a limited patient population to preliminarily evaluate the efficacy of the product for specific targeted diseases, to identify possible adverse effects and safety risks, and to determine optimal dosage
“Phase III”	phase III clinical trial, a trial in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
“Phase IV”	phase IV clinical trial, a trial conducted after regulatory approval in the post-marketing setting — often involving broader, more diverse or larger patient populations across multiple, geographically dispersed sites and routine clinical practice — to monitor long-term safety and effectiveness, detect rare or delayed adverse events and drug-drug interactions, evaluate performance in special populations and real-world conditions, and generate additional data to support labeling updates, new indications, or regulatory risk-management obligations

GLOSSARY OF TECHNICAL TERMS

“PI(s)”	principal investigator(s), the person(s) in charge of a clinical trial who prepares and carries out the clinical trial protocol, and analyzes the data and reports the results
“PK”	pharmacokinetics, the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug
“placebo”	a medical treatment or preparation with no specific pharmacological activity
“primary endpoint”	the specific key measurement upon which a clinical trial is designed to assess the effect of the drugs being investigated
“RD”	recommended dose, the drug dose determined from clinical trials that achieves optimal efficacy with acceptable safety and tolerability
“receptor”	a protein molecule on the cell surface or within cells that binds specific ligands, triggering intracellular signaling and physiological responses
“receptor agonist”	a receptor agonist is an agent that activates a receptor to produce a biological response
“resin exchange”	a separation or purification technique using ion-exchange resins to selectively bind, remove, or concentrate target ions or molecules from solutions
“R&D”	research and development
“SAD”	single-dose escalation, a clinical trial design in which increasing single doses of a drug are administered sequentially to assess safety, tolerability, and pharmacokinetics
“SAE(s)”	serious adverse events
“ <i>Sangbo’en</i> ” or “WH001”	Mulberry Twig Alkaloid Tablets
“SangZhi (桑枝)”	mulberry twig
“sentinel design”	a safety-focused clinical trial approach in which a small number of participants receive a first dose before wider dosing, minimizing risk in early-phase studies
“single-arm”	describes clinical trials in which everyone enrolled in a trial receives the experimental therapy
“SMO(s)”	site management organization, an organization that has adequate infrastructure and staff to meet the requirements of the clinical trial protocol and provides clinical trial related services to a CRO, a pharmaceutical company, a biotechnology company, or a clinical site

GLOSSARY OF TECHNICAL TERMS

“solubilizer”	a substance or excipient used to enhance the solubility of poorly water-soluble drugs, improving formulation stability and bioavailability
“ $t_{1/2}$ ”	elimination half-life, the time required for the concentration to fall to 50% of its peak value
“tid”	from Latin “ter in die”, meaning three times a day
“TCM”	traditional Chinese medicine
“TCM Category 1.2”	innovative TCMs, extracts and preparations derived from single plant sources
“TCM Category 2.3”	modified New Drugs of TCMs, TCM drugs with expanded indications under the TCM Registration Provisions
“ T_{max} ”	maximum plasma concentration, the amount of time that a drug is present at the maximum concentration in serum
“type 2 diabetes”	a form of diabetes characterized by high blood sugar, insulin resistance and relative lack of insulin
“UACR”	urinary albumin-to-creatinine ratio, a clinical measure of albumin excretion normalized to creatinine in urine, used to detect and monitor kidney damage
“ α 1-MG”	α 1-microglobulin, a low-molecular-weight plasma protein with antioxidant and immunomodulatory functions, used as a biomarker for kidney and oxidative stress-related conditions
“ α -glucosidase”	an enzyme that hydrolyzes terminal α -linked glucose residues from carbohydrates, regulating postprandial glucose levels
“ β 2-MG”	β 2-microglobulin, a component of the major histocompatibility complex class I molecule, circulating in plasma, used as a biomarker of renal function and certain hematologic malignancies
“ β -cell”	pancreatic islet cells responsible for insulin production and secretion, playing a central role in glucose homeostasis

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements and information relating to our Company and its subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business and operating strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment, operating conditions and general outlook in the industry and geographical markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our financial condition and performance;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information.

In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such information may change in light of future developments. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

RISK FACTORS

An [REDACTED] in our Shares involves various risks. You should carefully consider all the information in this document and in particular the risks and uncertainties described below before making an [REDACTED] in our Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisers regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO THE DEVELOPMENT AND CLINICAL TRIALS OF OUR DRUG CANDIDATES

If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected.

Our revenue and profitability are partially dependent on our ability to complete the development of our drug candidates, obtain requisite regulatory approvals and successfully manufacture and commercialize our drug candidates. We have invested a significant portion of our efforts and capital resources in the development of our existing drug candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our drug candidates in the future. The success of our drug candidates will depend on a number of factors, including but not limited to (i) favorable safety and efficacy data from our preclinical studies and clinical trials; (ii) sufficient resources to discover or acquire additional drug candidates and the successful identification of potential drug candidates based on our research or business development methodology or search criteria and process; (iii) successful completion of clinical trials; (iv) the performance by third parties we engage to conduct clinical trials and preclinical studies and their compliance with our protocols and applicable laws; (v) the capabilities and competence of our collaborators; (vi) receipt of regulatory approvals; (vii) strong capabilities for commercialization; (viii) successful production and commercial sales of our drug candidates, if and when approved; and (ix) the obtaining, maintenance and enforcement of patents, trademarks, trade secrets and other intellectual property protections for our drug candidates.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or be unable to obtain approval for and/or to successfully commercialize our drug candidates, which would materially affect our business and we may not be able to generate sufficient revenues and cash flows to continue our operations.

Clinical development involves a lengthy and costly process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future trial results.

As of the Latest Practicable Date, our Core Products were under clinical trials. The successful completion of clinical trials is an essential requirement to obtain NDA or similar approvals from the NMPA, or other competent regulatory authorities for each of our drug candidates and, ultimately, the commercialization of our drug candidates. Clinical trials, however, come with an expense, and are complicated to design and conduct, and can take years to complete with no guarantee of successful results. Failure can occur at any stage during clinical development process, which would materially and adversely affect our business, financial condition and results of operations.

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We may experience numerous unexpected events during, or arising from clinical trials that could delay or prevent us from obtaining necessary regulatory approvals for the development and commercialization of our drug candidates, including but not limited to situations where (i) we may be required to suspend or terminate clinical trials of our drug candidates due to negative results, safety concerns, or findings that participants are exposed to unacceptable health and safety risks; (ii) we may encounter various manufacturing issues, including delays or difficulties with our manufacturing facilities maintenance, problems with quality control, or ensuring sufficient quantities of our drug candidates for use in a clinical trial; (iii) subject enrolment may be insufficient or slower than we anticipate, or subjects may drop out at a higher rate than anticipated; and (iv) our drug candidates may cause AEs, among other unexpected circumstances, which could result in a suspension or termination of an ongoing trial.

Furthermore, the results of preclinical studies or early-phase clinical trials may not be predictive of the success of later-phase clinical trials, and favorable initial or interim results do not necessarily indicate the success of final results. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. It is also common that various aspects of the development programs, such as manufacturing and formulation, are altered in an effort to optimize processes and results. However, there can be no assurance that such alterations would help achieve the intended objectives. There may be significant variability in safety or efficacy results among different trials of the same drug candidate due to numerous factors. Therefore, the results of planned clinical trials or other future clinical trials could be significantly different and deviate from our expectation, which could result in delays in the completion of clinical trials, regulatory approvals and commencement of commercialization of our drug candidates.

We may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.

As we have limited financial and managerial resources, we focus our product pipeline on research programs and drug candidates that we identify for selected indications. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Our spending on current and future research and development programs and drug candidates for selected indications may not yield any commercially viable products. Furthermore, if we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may be unable to allocate internal resources to a drug candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If we encounter delays or difficulties enrolling subjects in our clinical trials, our clinical development activities could be delayed.

The timely completion of clinical trials in accordance with their protocols depends on our ability to enroll a sufficient number of subjects who remain in the trial until its conclusion. We may experience difficulties in subject enrollment in our clinical trials for a variety of reasons. In addition, our clinical trials may compete with our competitors’ clinical trials for indications that are the same as the indications we developed. Such competition will likely reduce the number and types of subjects available to us, as some patients might opt to enroll in a trial being conducted by our competitors instead of ours. Even if we are able to enroll a sufficient number of subjects in our clinical trials, delays in subject enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent the completion of these trials.

RISK FACTORS

Our drug candidates may cause undesirable AEs.

AEs caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a delay or denial of regulatory approval by the NMPA, or other competent regulatory authorities, or a significant change in our clinical protocol or even our development plan. Results of trials conducted with respect to our drug candidates could reveal a high and unacceptable severity or prevalence of certain AEs. In such an event, such trials could be suspended or terminated and the NMPA, or other competent regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates. AEs related to our drug candidates may also affect subject recruitment, and could result in potential liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects. Additionally, if AEs caused by our drug candidates are identified after they receive regulatory approval, this may lead to potentially significant negative consequences. Any of these AEs could prevent us from achieving or maintaining market acceptance of any particular drug candidate that is approved and could significantly harm our business, financial condition, results of operations and prospects.

We invest substantial human and capital resources in research and development in order to develop our drug candidates and enhance our technologies, but we cannot guarantee that such efforts will lead to successful outcomes.

The market in which we operate is constantly evolving, and we must keep pace with new technologies and methodologies to maintain our competitive position. We focus on leveraging our industry expertise and established R&D capabilities to pursue proprietary drug discovery and development in our targeted and specialized therapeutic areas. For the year ended December 31, 2024 and the nine months ended September 30, 2024 and 2025, our research and development costs were RMB58.0 million, RMB38.3 million and RMB41.5 million, representing 27.9%, 23.6% and 20.0%, respectively of our total revenue during the same periods. We intend to continue to strengthen our technical capabilities in the development and manufacture of our drug candidates, which requires substantial capital and time. We cannot assure you that we will be able to develop, improve or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, or obtain sufficient or any patent or other intellectual property protection for such new or enhanced products in a timely and cost-effective manner. Any failure to do so may render our previous efforts obsolete, which could significantly reduce the competitiveness of our technology platforms and drug candidates, and harm our business and prospects.

We may face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours.

The industry in which we operate is highly competitive and rapidly changing. We face competition from other biopharmaceutical companies and emerging biotechnology companies engaged in the research, development, production, marketing or sales of biopharmaceutical products. Our products primarily compete with products that are indicated for similar conditions as our products on the basis of efficacy, safety, convenience, pricing and supply stability. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe AEs, are more convenient or are less expensive than any drugs that we commercialize or may develop. Our competitors also may obtain approval from the NMPA, or other competent regulatory authorities for their drugs more rapidly than us, which could result in our competitors establishing a strong market position before we are able to enter the market.

RISK FACTORS

Our competitors may succeed in developing, acquiring, or licensing on an exclusive basis, products that are more effective with a lower cost than our drug candidates, or achieve earlier patent protection, regulatory approvals, product commercialization and market penetration than we do. To compete with an approved product, we must demonstrate compelling advantages in efficacy, convenience, tolerability or safety in order to overcome price competition and to be commercially successful. Furthermore, disruptive technologies and medical breakthroughs may further intensify the competition and render our drug candidates obsolete or noncompetitive.

We may not be able to discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates.

There can be no assurance that we will be successful in discovering new drug candidates in the future, and some drug candidates may be technically challenging to develop and manufacture. Drug candidates that we discover and develop may later show AEs or other characteristics that make them unmarketable or unlikely to receive regulatory approvals. We have also pursued, and may continue to pursue, collaboration with third parties in the discovery and development of potential drug candidates. However, there can be no assurance that such collaboration will deliver the expected results. Research programs to identify new drug candidates or additional therapeutic opportunities and to develop our drug candidates for additional indications require substantial technical, financial and human resources. We may invest efforts and resources in potential drug candidates or indication expansions that ultimately prove to be unsuccessful. Any of the foregoing events will have a material adverse effect on our business, results of operations and prospects.

RISKS RELATING TO MANUFACTURING, COMMERCIALIZATION AND SALES OF OUR DRUG CANDIDATES

The future commercial success of our drug candidates will depend on the degree of their market acceptance among physicians, patients and others in the medical community.

Even if our drug candidates receive the requisite regulatory approval, they may fail to gain sufficient market acceptance by physicians, patients, third-party payers and other relevant parties in the medical community. If our drug candidates do not achieve an adequate level of acceptance, we may not generate significant revenue from sales of our drugs and we may not become profitable. The degree of market acceptance of our drug candidates will depend on a number of factors, including but not limited to (i) the clinical indications for which our drug candidates are approved; (ii) physicians’ and patients’ perception of our drug candidates as a safe and effective treatment; (iii) the potential and perceived advantages of our drug candidates over alternative treatments; (iv) the prevalence and severity of any AEs; (v) the timing of market introduction of our drug candidates as well as competing drugs; (vi) the availability of adequate coverage and reimbursement by government authorities; and (vii) the effectiveness of our sales and marketing efforts.

Even if our drugs achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our drugs, are more cost effective or render our drugs obsolete. Our failure to achieve or maintain market acceptance for our future approved drug candidates would materially adversely affect our business, financial condition, results of operations and prospects.

RISK FACTORS

Experience in commercializing innovative drug, successful expansion and optimization of effective sales and distribution network for our drugs are critical to our continual business success.

Although *Sangbo'en* was successfully commercialized in 2020, we still have limited experience in launching and commercializing drug products. As a result, our ability to successfully commercialize our other drug candidates may involve more inherent risk, take longer, and cost more.

We will have to compete with other biopharmaceutical companies to recruit, hire, train and retain sales and marketing personnel. If we are unable to, or decide not to, further develop internal sales, marketing and commercial distribution capabilities for any or all of our drug candidates, we will likely pursue collaborative arrangements for the sales and marketing of our drug candidates. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or we could have little or no control over the sales and marketing efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. There can be no assurance that we will be able to further develop and successfully maintain in-house sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any product, and as a result, we may not be able to generate expected revenue from sales of our products.

Our drug candidates may not be covered by or be removed from insurance or reimbursement programs, which could harm our business, financial condition, results of operations and prospects.

Our ability to commercialize any approved drug candidates successfully or to generate expected profitability from sales of our commercialized product will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. In China, the Ministry of Human Resources and Social Security of China, together with other government authorities, review the inclusion or removal of drugs from the China's National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》), or the NRDL, regularly, and the tier under which a drug will be classified, both of which affect the amounts reimbursable to program participants for their purchases of those drugs.

Our commercialized product, *Sangbo'en*, was included in the NRDL in 2020 upon its commercialization. However, in the event that *Sangbo'en* is removed from the NRDL, our revenue from commercial sales of *Sangbo'en* would be highly dependent on patients' self-payment, which can make our product less competitive. Patients may choose other drugs with similar efficacy but lower prices which have been included in the NRDL. In addition, we cannot be sure that reimbursement will be available for all approved drug candidates that we commercialize in the future and, if reimbursement is available, what the level of reimbursement will be. There may also be significant delays in obtaining reimbursement for approved drug candidates, and reimbursement coverage may be more limited than the approved indications of the drug candidates by the NMPA, or other competent regulatory authorities. Our inability to promptly obtain reimbursement coverage at intended payment rates for our drug candidates and any new drug candidates that we develop could have a material adverse effect on our business, operating results, and overall financial condition.

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The size of the potential market for our current or future drug candidates is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our current or future drug candidates may be smaller than our estimates.

Our projections of the number of patients who have the potential to benefit from treatment with our drug candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, medical surveys, patient foundations, or market research and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be fewer than expected. As a result, the potentially addressable patient population and market size for our drug candidates may be smaller than our estimates. Furthermore, for indications with well-established standard of care therapies, the NMPA may approve new therapies initially only for later lines of therapy. While we may seek approval for our drug candidates as an early-line therapy for certain indications, there is no guarantee that they will be approved and used as a later-line therapy. As a result, even if we obtain market approval for our drug candidates, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy.

The manufacturing of our products is a complex process which requires significant expertise and capital investment, and manufacturing our products on a large commercial scale is vital to our business success.

Manufacturing biopharmaceutical products on a commercial scale, is a complex process requiring significant expertise and capital investment, and subject to strict regulatory requirements. Issues may arise during the manufacturing process for reasons including: (i) equipment malfunction, (ii) failure to follow specific protocols and procedures, (iii) problems with raw materials, (iv) delays or difficulties with our manufacturing facilities maintenance or expansion of any future manufacturing facilities, (v) changes in manufacturing production sites or limits to manufacturing capacity due to regulatory requirements, (vi) advances in manufacturing techniques, and (vii) the occurrence of natural disasters. If problems arise during the production process of certain future products, a batch or several related batches of such product may have to be discarded and cause production delays, cost increases, lost revenue and damage to customer relationships and our reputation. If problems are not discovered before the relevant products are released to the market, we may incur additional costs in connection with product recalls and product liability.

Consistent quality control over our drug products is critical to our business and financial performance.

The quality of our products, including drug candidates manufactured by us for research and development purposes, will depend significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes used in our manufacturing facilities, the quality and reliability of equipment used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality control and quality assurance standards. We operate a comprehensive quality control system which extends across all key stages of the R&D, manufacturing and commercialization processes. This system is established and refined in accordance with the rigorous regulations and guidelines in China. See “Business — Quality Control.” However, we may face difficulties in maintaining effective quality control and quality assurance procedures in consistently preventing and resolving deviations from our quality standards, and there is no assurance that our standard operating procedures will be complete or updated at all times. Any significant failure or deterioration of our quality control and quality assurance standards or standard operating procedures could render our products unsuitable for use, result in gaps in the audit of

RISK FACTORS

our processes, and/or harm our market reputation and relationship with business partners. Any such developments may have a material adverse effect on our business, financial condition and results of operations.

Counterfeit biopharmaceutical products and the illegal and/or parallel import of competing drugs may reduce demand for our drug candidates, which could have a negative impact on our reputation and business.

The illegal import of competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our drug candidates and, in turn, may adversely affect our sales and profitability in China and other countries where we plan to commercialize our products. Furthermore, certain products distributed or sold in the market in which we operate may be manufactured without proper licenses or approvals, or be fraudulently mislabeled with respect to their usage or manufacturers. These products are generally referred to as counterfeit bio pharmaceutical products. Since counterfeit bio pharmaceutical products in many cases have very similar appearances compared with the authentic pharmaceutical products but are generally sold at lower prices, counterfeits of our products can quickly erode the demand for our drug candidates. A patient who receives a counterfeit bio pharmaceutical product may be at risk for a number of dangerous health consequences, which potentially exposes us to product liability claims, government investigations, and other disputes and negative consequences. Our reputation and business could suffer harm as a result of counterfeit bio pharmaceutical products sold under our or our collaborators’ brand name(s).

If we are unable to conduct effective promotion or maintain a qualified sales force, the sales volume of our product and our operations, revenue, profitability and business prospects could be adversely affected.

Successful sales and marketing are crucial for us to increase the market penetration of our *Sangbo’en*, expand our coverage of hospitals and other medical institutions and promote new products in the future. If we are unable to increase or maintain the effectiveness and efficiency of our sales and marketing activities, our sales volumes and business prospects could be adversely affected. In particular, our sales and marketing efforts consist of raising awareness and knowledge of *Sangbo’en* and other drug candidates among medical professionals, hospitals, other medical institutions and pharmacies. Therefore, our sales and marketing force must possess a relatively high level of technical knowledge, up-to-date understanding of industry trends, necessary expertise in the relevant therapeutic areas and products, as well as sufficient promotion and communication skills. If we are unable to effectively train our in-house sales and marketing representatives and evaluate their academic marketing performance, our sales and marketing may be less successful than desired.

Moreover, our ability to attract, motivate and retain a sufficient number of qualified sales and marketing professionals is especially important. Competition for experienced marketing, promotion and sales personnel is intense. If we are unable to attract, motivate and retain a sufficient number of marketing, promotion and sales professionals, sales volume of our products may be adversely affected and we may be unable to expand our hospital coverage or increase our market penetration as contemplated.

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RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We recorded net losses during the Track Record Period and there can be no assurance that we will be able to achieve or maintain profitability in the future.

Investment in pharmaceutical or biotechnology companies is highly speculative. It entails substantial upfront capital expenditures and significant risk that a drug candidate will fail to gain regulatory approval or become commercially viable. We have incurred significant expenses related to the research and development of our drug candidates. In addition, we also incurred other operating expenses including selling and distribution expenses. As a result, we recorded net losses of RMB109.5 million, RMB67.4 million and RMB45.7 million for the year ended December 31, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

There can be no assurance that we will be able to achieve profitability in the future, or even if we achieve profitability in the future, we may face challenges in sustaining profitability in subsequent periods thereafter. Our net losses have had, and may continue to have, an adverse effect on our working capital and Shareholders’ equity. Our failure to become and remain profitable may affect [REDACTED] perception of our potential value and could impair our ability to raise additional capital, expand our business or continue our operations. Failure to become and remain profitable may also adversely affect the [REDACTED] of our H Shares. A decline in the [REDACTED] of our H Shares could cause potential [REDACTED] to lose part of their [REDACTED] in our business.

We incurred net operating cash outflows during the Track Record Period.

Since our inception, our operations have consumed substantial amounts of cash. We had net cash used in operating activities of RMB87.1 million, RMB64.9 million and RMB22.5 million for the year ended December 31, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Additionally, we are exposed to credit risk on the cash and cash equivalents deposited in financial institutions. In the event that any of them becomes insolvent and is taken into receivership by the relevant government agencies, there will be uncertainty as to the timing and extent to which we will be able to recover our cash on deposit at such financial institution.

We may need to obtain substantial additional funding in connection with our continuing operations, while adequate additional funding may not be available to us on acceptable terms, or at all. If we are unable to raise capital when needed or on reasonable terms, we could have to delay, limit, reduce or terminate our research and development programs or any future commercialization efforts. Our inability to obtain additional funding when we need it could seriously harm our business.

We have a limited operating history as a standalone company, which may make it difficult to predict our future performance.

We are a biopharmaceutical company with a relatively short operating history as a standalone company, starting from 2010. See “History, Development and Corporate Structure” for more details. Our operations to date have focused on establishing our intellectual property portfolio, conducting drug discovery, preclinical studies, clinical trials and commercialization of our drug candidates, forging collaboration and strategic partnerships globally, and organizing and staffing our operations. We also have limited experience in commercial-scale manufacturing and the sales and marketing of approved drugs. For these reasons, particularly in a rapidly

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evolving industry in which we operate, it may be difficult to predict our future performance. We may encounter unforeseen expenses, challenges, delays and other known and unknown factors. If we do not address these risks and difficulties successfully, our business may suffer.

We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.

During the Track Record Period, our financing activities primarily include interest-bearing bank and other borrowings and equity financing. As of December 31, 2024 and as of September 30, 2025, our interest-bearing bank and other borrowings were RMB223.0 million and RMB212.6 million, respectively.

We expect to fund our future operations primarily with existing cash and cash equivalents, revenue generated from sales of *Sangbo'en* and net [REDACTED] from the [REDACTED]. Changes in our ability to fund our operations may affect our cash flow and results of operations. Although we are conducting this [REDACTED], we may nevertheless require substantial additional capital to meet our continued operating cash requirements, especially to fund our research and development activities, commercialization of our drug candidates and development of manufacturing capabilities. Our future funding requirements will depend on many factors, including but not limited to (i) the progress, timing, scope and costs of our clinical trials; (ii) the outcome, timing and cost of regulatory approvals of our drug candidates; (iii) the progress, timing, scope and costs related to discovery and early development of additional drug candidates; (iv) the preparation required for anticipated commercialization of our drug candidates, and if regulatory approvals are obtained, to fund the product launch; (v) the manufacturing capabilities related to clinical development and future commercialization for any approved drug candidates; (vi) the amount and timing of any milestone and royalty payments we receive from or pay to our current or future collaborators; (vii) the cost of filing, prosecuting, defending and enforcing any patent claims or other intellectual property rights; (viii) the cash requirements of any future acquisitions and/or development of our drug candidates; and (ix) our headcount growth and the associated costs.

As our business continues to expand, we may seek additional funding through equity offerings, debt financings, collaboration arrangements and other sources, which may not be available on terms favorable or commercially reasonable to us or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities, or the commercialization of one or more of our drug candidates, which may adversely affect our business prospects.

We are subject to credit risk arising from trade receivables.

As of December 31, 2024 and as of September 30, 2025, we had trade receivables of RMB46.0 million and RMB54.8 million, respectively. We may be exposed to credit risk with our counterparties and may not be able to collect all of such receivables due to a variety of factors that are outside of our control. If the relationship between us and any of our counterparties is terminated or deteriorated, or if our counterparties experience financial or operational difficulties, the recoverability of our receives may be negatively affected, which may have a material and adverse effect on our business, financial condition and results of operations.

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We benefit from government grants, the expiration of or changes to which could adversely affect our profitability.

During the Track Record Period, we recognized RMB12.3 million, RMB6.1 million and RMB7.6 million of government grants in other income in 2024 and the nine months ended September 30, 2024 and 2025, respectively. Some of the government financial incentives, grants or funding are granted on a project by project basis and/or are subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements, completion of the specific projects therein, and compliance with the conditions imposed including but not limited to maintaining operations or physical facilities. We cannot guarantee that we will satisfy all relevant conditions. If we fail to satisfy any such condition upon a corporate change or other difficulties to meet the conditions, we may be deprived of or be asked to return the relevant incentives, funding, and/or government grants, or we may be asked to repay our debt obligations early, if any, as the case may be. We cannot assure you of the continued availability of the government grants currently enjoyed by us. Any reduction or elimination government grants may have an adverse effect on our results of operations. In addition, we may not be able to receive government grants in the future, which may have an adverse effect on our financial condition and results of operations.

We have granted, and may continue to grant, share-based awards, which may result in increased equity-settled share-based payments, which may in result have an adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

We have established Employee Incentive Platforms for the benefit of our core employees, Directors and senior management as remuneration for their services provided to us and to incentivize and reward the eligible persons who have contributed to the success of our Company. For further details, see “History, Development and Corporate Structure — Share Incentive Platforms.” For the year ended December 31, 2024 and the nine months ended September 30, 2024 and 2025, we incurred equity-settled share-based payments of RMB21.6 million, RMB17.6 million and RMB7.1 million, respectively.

To further incentivize our employees, we may incur additional equity-settled share-based payments in the future. Expenses incurred with respect to such equity-settled share-based payments may also increase our operating expenses and therefore have a negative effect on our financial performance. [REDACTED] of additional H Shares with respect to such equity-settled share-based payments may dilute the shareholding of our Shareholders and could result in a decline in the value of our H Shares.

We may face risk regarding the obsolescence for our inventories.

During the Track Record Period, our inventories primarily consisted of raw materials, work in progress and finished goods. As of December 31, 2024 and as of September 30, 2025, our inventories amounted to RMB102.4 million and RMB112.8 million, respectively. During the Track Record Period, we have not identified material inventory items requiring impairment provision. However, we cannot assure you that our inventory management system will be effective in the future and forecasts for our inventory levels are inherently uncertain. If our forecast demand is higher than actual demand, we may face risk of inventory obsolescence or write-offs, which may increase our inventory holding costs. Furthermore, as our business expands, our inventory level may increase and our inventory obsolescence risk may also increase accordingly, which could materially and adversely affect our financial condition and results of operations.

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RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We have collaborated with third parties in research and development, preclinical studies and clinical trials of our drug candidates.

We have collaborate with and plan to continue to collaborate with third-party clinical trial sites, consultants and other third parties to monitor, support and conduct preclinical studies and clinical trials of our drug candidates. As a result, we do not have full control over their activities or the quality, timing and cost of these studies. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards. In particular, we and our clinical investigators are required to comply with Good Clinical Practice (“GCP”), Good Laboratory Practice (“GLP”) and other regulatory requirements enforced by the NMPA and other competent regulatory authorities for all of our drug candidates in clinical development. Regulatory authorities may enforce these GCP, GLP or other regulatory requirements through periodic inspections of trial sponsors, investigators and trial sites.

We cannot control whether or not such third parties will devote sufficient time and resources to our ongoing clinical, nonclinical and preclinical programs. If we or any of our third parties fail to comply with GCP, GLP, or other regulatory requirements, the relevant data generated in our clinical trials may be deemed unreliable and regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. Failure to comply with these regulations may lead us to repeat preclinical studies and clinical trials, which would delay the regulatory approval process. Similarly, if other third parties fail to meet expected deadlines, timely transfer to us any requisite information, adhere to protocols or act in accordance with regulatory requirements or our agreements with them, the clinical trials of our drug candidates may be compromised, delayed, prolonged, suspended or terminated, or our data may be rejected by regulatory authorities.

We may not be able to enter into arrangements with alternative third parties in a timely manner or do so on commercially reasonable terms, if our existing relationships with these third parties terminate. Switching or adding other third parties involves additional cost and delays, which can materially affect our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

In addition, during the Track Record Period, we have collaborated and entered into certain collaboration arrangements with a third party in relation to our drug candidates. See “Business — Collaboration Arrangement” for more details. Our collaboration arrangements with such third party is subject to various risks, which may include the followings: (i) such third party may not properly maintain or defend our proprietary information or may use our proprietary information in an inappropriate way; and (ii) there is no assurance that disputes will not arise between us and such third party that cause the delay of the research or development of our drug candidates.

We depend on third parties to provide a stable and adequate supply of quality key raw materials, packaging services and other products for the manufacturing and sales of *Sangbo'en* as well as for the development and clinical trials of our other drug candidates.

During the Track Record Period, we relied on third parties to supply certain of our key raw materials, packaging services and other products used in the manufacturing for sales of *Sangbo'en*, as well as in the research and development and clinical trials of our other drug candidates. Any disruption in production, delay in delivery, or the inability of our suppliers to

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provide adequate quantities to meet our needs could impair our operations, including the manufacturing and sales of *Sangbo'en*, and could also adversely affect the research, development and clinical trials of our other drug candidates. We are also exposed to the possibility of increased costs, which we may not be able to pass on to our customers and as a result, lower our profitability.

We cannot assure you that these third-party suppliers will be able to maintain and renew all licenses, permits and approvals necessary for their operations or comply with all applicable laws and regulations. Failure to do so by them may lead to interruption in their business operations, which in turn may result in shortage of the key raw materials, packaging services and other products supplied to us, and cause disruption in the manufacturing and sales of *Sangbo'en*, delays in clinical trials and regulatory filings for our other drug candidates, or even product recalls. The non-compliance of these third parties may also subject us to potential product liability claims, result in our failure to comply with the continuing regulatory requirements, and cause us to incur significant costs, which may have a material and adverse effect on our business, financial condition and results of operations.

We are exposed to risks related to concentration of customers.

Our success relies on maintaining strong and stable relationship with our customers. In 2024 and the nine months ended September 30, 2025, our revenue generated from our five largest customers accounted 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, respectively. See “Business — Our Customers” for more details.

Given this customer concentration, our business and financial performance are relatively dependent on the continued purchases by, and relationships with, these customers. Our customers may alter their purchasing volume or terminate their engagement with us due to a variety of reasons, including internal procurement adjustments, changes in market demand, intensified competition, product performance issues, or their own operational or financial challenges. As a result, there is no assurance that any of our major customers will continue to place orders with us at the current levels or at all. Further, we may not be able to enter into new or renewal agreements with our customers as we cannot guarantee that we are able to offer more favorable commercial terms as compared to our competitors. Any disruption in our relationship with our customers could affect our ability to maintain and grow our sales of *Sangbo'en*, which could materially and adversely affect our business, financial position and results of operations.

If we fail to maintain and optimize an effective distribution network for our product or encounter problems with our distributors, our operations, revenue and profitability could be adversely affected.

Our ability to maintain and grow our sales depends on our ability to manage, expand and optimize distribution channels that ensure timely delivery of our product. Consistent with the industry practice, we sell our products through distributors, who are our direct customers and are responsible for distributing our products to hospitals, pharmacies and e-commerce platforms in China. As of September 30, 2025, our distribution network spanned 31 provinces, municipalities and autonomous regions across China. However, all of our distributors are independent third parties over whom we have limited control. We cannot assure you that our distributors will always distribute our product in an effective manner.

In line with industry practice in China, we typically enter into distribution agreements with our distributors for a prescribed term. See “Business — Marketing, Sales and Commercialization — Distribution” for details. We may not be able to renew these

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agreements with our distributors on commercially acceptable terms or at all. Our distributors may elect not to renew their distribution agreements with us or otherwise terminate their business relationships with us. In the event that a significant number of our distributors terminate their relationships with us, or we are otherwise unable to maintain and expand our distribution network effectively, our business, financial condition and results of operations could be materially and adversely affected. Additionally, in the event that a significant number of our distributors cease or reduce their purchases of our product or fail to meet the terms provided in our distribution agreements, our business, financial condition and results of operations may be materially and adversely affected.

Our relationships with certain PIs, KOLs and leading hospitals may affect the clinical development and future marketing of our products.

Our relationships with principal investigators (“PIs”), key opinion leaders (“KOLs”), and leading hospitals play an important role in our R&D and marketing activities. We implement a clinical demand-oriented and highly responsive R&D strategy by establishing extensive interaction channels with PIs, KOLs, leading hospitals to gain first-hand knowledge of clinical needs and clinical practice trends, which is critical to our ability to develop new market-responsive drugs and improve our existing drug candidates. However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with PIs, KOLs and leading hospitals, or that our efforts to maintain or strengthen such relationships will yield the successful development and marketing of new products. These industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us or cooperate with our competitors instead. If we are unable to develop new drugs or generate returns from our relationships with industry participants as anticipated, or at all, our business, financial condition and results of operations may be materially and adversely affected.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we are unable to obtain and maintain adequate patent and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, and our ability to successfully commercialize our drug candidates may be adversely affected.

Our commercial success depends on our ability to protect our proprietary technology and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights. See “Business — Intellectual Property” for details of our intellectual properties. This process is expensive and time-consuming, and we or our business partners may not be able to file and prosecute all necessary or desirable patent applications in a timely manner. It is also possible that we or our business partners will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

The patent position of biopharmaceutical companies generally involves complex legal and factual questions, and can be frequently litigated. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our current and future patent applications may not be granted with approvals that effectively prevent third parties from commercializing competitive technologies and drug candidates. Even if patents are issued on these applications, there can be no assurance that a third party will not challenge their validity, enforceability, or scope, which may result in the patent claims being narrowed or invalidated, or that we will obtain sufficient claim scope in those patents to prevent a third party from competing successfully with our drug candidates. An adverse determination in any such

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proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our drug candidates and compete directly with us, or result in our inability to manufacture or commercialize drug candidates without infringing third-party patent rights.

The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our patents may be challenged in the courts or patent offices. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and drug candidates. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours. Our competitors may also be able to circumvent our patent issuance by developing similar or alternative technologies or drug candidates in a non-infringing manner.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the China National Intellectual Property Administration (the “CNIPA”) over the lifetime of a patent. The CNIPA requires compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

If our patent terms expire before or soon after our drug candidates are approved, or if competitors successfully challenge our patents, our business may be materially harmed.

Patents have a limited duration. Even if patents covering our drug candidates, their manufacture, or use are obtained, once the patent life has expired, we may be open to competition from competitive medications, including biosimilar medications. Manufacturers of generic or biosimilar drugs may challenge the scope, validity, or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. Upon the expiration of our issued patents or patents that may issue from our patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our issued patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain a patent term extension or the term of any such extension is less than we request, our competitors may

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obtain approval of competing products following our patent expiration, and our business could be harmed. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

We conduct our business under the brand name of “Wehand-Bio.” Our registered or unregistered trademarks or domain names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks, trademark applications and domain names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trademarks, trademark applications or domain names similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks. Over the long term, if we are unable to establish name recognition based on our trademarks and domain names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our competitive position, business, financial condition, results of operations, and prospects.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to our issued patents and patent applications, we rely on trade secrets and confidential information to maintain our competitive position and to protect our drug candidates. We seek to protect our trade secrets and confidential information, in part, by entering into confidentiality agreements with parties that have access to our trade secrets or confidential information, such as our employees and other third parties that have access to them.

However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets and confidential information by the parties to these agreements. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Any of the parties with whom we enter into confidentiality agreements may breach or violate the terms of any such agreements and may disclose our proprietary information, and we may not be able to obtain adequate remedies for any such breach or violation. As a result, we could lose our trade secrets and/or confidential information, and third parties could use our trade secrets and/or confidential information to compete with our drug candidates and technology. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Intellectual property and other laws and regulations are subject to change, which could diminish the value of our intellectual property and impair the intellectual property protection of our drug candidates.

Changes in intellectual property laws or their interpretation in China and countries and regions where patent protection is sought or granted under the Patent Cooperation Treaty (“PCT”) framework may increase the uncertainties and costs surrounding the prosecution of

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our patents, diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, affect the scope and value of our intellectual property rights. Such changes in laws may either impact the value of our patent rights or our other intellectual property rights, all of which could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future, as well as on our competitive position, business, financial condition, results of operations and prospects.

We may from time to time be involved in legal proceedings and disputes to protect or enforce our intellectual property rights, or defend against infringement and other claims alleged by third parties, which could be expensive, time consuming and unsuccessful.

Our intellectual property rights could be challenged or invalidated. Competitors or other third parties may also infringe or misappropriate our patents and other intellectual property rights. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. In any infringement proceeding, a court may decide that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue. Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may not be an adequate remedy. Enforcing our intellectual property rights against third parties may also cause such third parties to file other counterclaims against us, which could be costly to defend and could require us to pay substantial damages. Any loss of intellectual property protection could have a material adverse impact on one or more of our drug candidates and our business.

An adverse result in any litigation or defense proceedings could put one or more of our intellectual property rights at risk of being invalidated or interpreted narrowly. Even if successful, litigation may result in substantial costs and distraction of our management and other employees. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If the public, securities analysts or investors perceive these results to be negative, or perceive that the presence or continuation of these cases creates a level of uncertainty regarding our ability to increase or sustain product sales, it could have a substantial adverse effect on the price of our Shares.

Unfavorable outcomes in intellectual property litigation could limit our research and development activities and/or our ability to commercialize our drug candidates.

If third parties successfully assert their intellectual property rights against us, we might be barred from using certain aspects of our technology, or barred from developing and commercializing our drug candidates. Prohibitions against using certain technologies, or prohibitions against commercializing our drug candidates, could be imposed by a court or by a settlement agreement between us and a plaintiff. In addition, if we are unsuccessful in defending against allegations that we have infringed, misappropriated or otherwise violated patent or other intellectual property rights of others, we may be forced to pay substantial damage awards to the plaintiff. There is inevitable uncertainty in any litigation, including intellectual property litigation. There can be no assurance that we would prevail in any intellectual property litigation, even if the case against us is weak or flawed.

Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantages.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business nor permit us to maintain our competitive advantages. The following examples are

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illustrative: (i) others may be able to make drug candidates that are the same as or similar to our drug candidates but that are not covered by the claims of the patents that we own; (ii) others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights; (iii) third parties might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; and (iv) we may not develop additional technologies that are patentable.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated.

Development and commercialization of our drug candidates are regulated in great depth and detail in China. The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires the expenditure of substantial time and capital resources. Failure to comply with the applicable regulatory requirements at any time during the drug development process or approval process, or after approval, may subject us to administrative or judicial sanctions. Any occurrence of such sanctions could therefore materially adversely affect our reputation and our business, financial condition, results of operations and prospects.

Any failure to comply with existing laws, regulations and industry standards could result in fines or other punitive actions against us, the termination of ongoing research and the disqualification of data for submission to regulatory authorities, or a ban on the future sales of our drugs, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations and prospects. In addition, any action against us for violation of the relevant laws, regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management’s attention from the operation of our business, and adversely affect our reputation and financial results.

If we are unable to obtain without undue delay any regulatory approvals for our drug candidates in our targeted markets, our business may be adversely affected.

The time required to obtain approvals from the NMPA and other competent regulatory authorities is unpredictable and depends on numerous factors. Generally, such approvals take many years to obtain, following the commencement of preclinical studies and clinical trials. We cannot assure you that we will be able to meet regulatory requirements or that our drug candidates will be approved for sale.

We may fail to receive the regulatory approvals from the NMPA, or other competent regulatory authorities for our drug candidates due to a number of reasons, including: (i) disagreement in the design or implementation of our clinical trials; (ii) failure to demonstrate that a drug candidate is safe and effective for its proposed indication; (iii) insufficient or suboptimal data collected from the clinical trials, or failure of our clinical trial results to meet the level of statistical and medical significance required for approvals; and (iv) unexpected changes in regulations, testing requirements, or approval policies that render our preclinical and clinical data insufficient for approval.

The NMPA, or other competent regulatory authorities may require more information to support approval which may result in delay in regulatory approval and commercialization plans or denial of regulatory approval. In the case where an approval is issued, regulatory authorities may approve fewer indications, including undesired indications, of our drug candidates than the

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indications we applied for, or grant approvals contingent on the performance of post-marketing clinical trials. Failure to obtain regulatory approvals in a timely manner, or at all, or failure to obtain regulatory approvals with an intended scope of indications could have a negative impact on the commercial prospects of our drug candidates, and may cause reputational damage. If any of our drug candidates fails to demonstrate safety and efficacy to the satisfaction of regulatory authorities or does not otherwise produce positive results in future clinical trials, we would not be able to realize any revenue on such drug candidate despite the significant amount of resources we would have spent on its development, which could materially adversely affect our business, financial condition, results of operations and prospects.

Our future approved drug candidates will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expense.

If the NMPA, or other competent regulatory authorities approve any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, AE reporting, storage, advertising, promotion and record-keeping for the drug will be subject to extensive and ongoing regulatory requirements.

Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval. In addition, once a drug is approved by competent regulatory authorities for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the drug, including problems with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our drug products, it may result in: (i) restrictions on the marketing or manufacturing of our drugs, withdrawal of the product from the market, or voluntary or mandatory product recalls; (ii) fines, warning letters, or holds on clinical trials; (iii) refusal by regulatory authorities to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals; and (iv) injunctions or the imposition of civil, administrative or criminal penalties.

Moreover, regulatory policies may change or additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug candidates. If we are not able to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could significantly harm our business, financial condition and prospects.

We face regulation and potential liability related to privacy, data protection and information security which may require significant resources and may adversely affect our business, operations and financial performance.

We routinely receive, collect, generate, store, process, transmit and maintain medical data treatment records and other personal details of subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant data protection and privacy laws, directives regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in China. Failure to comply with any of these laws could result in enforcement action against us, which could have a material adverse effect on our business, financial condition, and results of operations or prospects.

In recent years, the PRC government has promulgated an increasing number of laws and regulations governing the various aspects of information security, data collection and privacy protection, including the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the Provisions on Protection of Personal Information of Telecommunication and Internet Users

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(《電信和互聯網用戶個人信息保護規定》), the Cybersecurity Review Measures (《網絡安全審查辦法》), the Data Security Law of the PRC (《中華人民共和國數據安全法》) which became effective from September 1, 2021, and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) which became effective from November 1, 2021. Under the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), prior consent shall be obtained from the individual when personal information is being processed, unless explicitly permitted under certain circumstances. Furthermore, any data processing activities in relation to sensitive personal information such as biometrics, medical health and personal information of teenagers under fourteen years old are not allowed unless such activities have a specific purpose, are highly necessary and strict protective measures have been taken. Certain industry-specific laws and regulations may also affect the collection and transfer of personal data in China, including Administrative Regulations on Human Genetic Resources of the People’s Republic of China (《中華人民共和國人類遺傳資源管理條例》) issued by the State Council. It is possible that these laws and regulations may be interpreted and applied in a manner that is inconsistent with our clinical trial practices, potentially resulting in the confiscation of human genetic resources samples and associated data and administrative fines.

Such data protection and privacy laws and regulations generally require clinical trial sponsors and operators and their personnel to protect the privacy of their enrolled subjects and prohibit unauthorized disclosure of personal information. If such institutions or personnel divulge the subjects’ private or medical records without their consent, they could be held liable for the damage caused. Furthermore, our clinical trials frequently involve professionals from third party institutions working with our staff and enrolled subjects. We cannot ensure that such persons will always comply with the applicable laws and regulations or our data privacy measures. We also cooperate with third parties including hospitals, third-party contractors and consultants for our clinical trials and operations. Any leakage or abuse of patient data by our third-party partners may be perceived by the patients as a result of our failure.

Any change in the applicable laws and regulations could affect our ability to use medical data and subject us to liability for the improper use of such data. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of information security that results in the unauthorized release or transfer of personally identifiable information or other patient data, could cause our customers to lose trust in us and could expose us to legal claims.

We may be directly or indirectly subject to applicable anti-kickback, false claims laws, doctor practice integrity law, fraud and abuse laws or similar healthcare and security laws and regulations in China.

Healthcare providers, doctors and others play a vital role in the promotion, recommendation and prescription of any products for which we obtain regulatory approval. If we obtain the NMPA’s approval for any of our drug candidates and begin commercializing our drugs in China in the future, our operations may become subject to various PRC fraud and abuse laws, including the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》) and PRC Criminal Law (《中華人民共和國刑法》); laws and regulations related to doctor practice integrity, including Nine Guidelines for Medical Institution Staff to Practice Integrity (《醫療機構工作人員廉潔從業九項準則》) and Key Points of Work on Correcting Irregularities in the Field of Purchase and Sale of Medical Products and the Provision of Medical Services in 2025 (《2025年糾正醫藥購銷領域和醫療服務中不正之風工作要點》). These laws and regulations may impact our proposed sales, marketing and education programs.

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Law enforcement authorities are increasingly focusing on enforcing these laws, and some of our practices may be challenged under these laws. Regulatory authorities could conclude that our business practices may not comply with current or future fraud, abuse or other healthcare laws or regulations. If any such actions are instituted against us, and if we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational damage, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and have a material adverse effect on our business and results of operations.

Furthermore, we are subject to laws and regulations related to anti-bribery in China that generally prohibit companies and their intermediaries from making any payments to government officials for the purpose of obtaining or retaining business or securing other improper advantages. Failure to comply with such laws and regulations related to anti-bribery could disrupt our business and lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, suspension of our ability to participate in governmental programs, or exclusion from government reimbursement for our products. See also “— Risks Relating to Our Operations — We may be unable to detect, deter and prevent all instances of bribery, fraud or other misconduct committed by our employees or third parties.”

RISKS RELATING TO OUR OPERATIONS

Our future success depends in part on our ability to retain our senior management, scientific employees and other qualified personnel.

We are highly dependent on the expertise and insights of our senior management team. Recruiting and retaining qualified scientific, technical, clinical, manufacturing, and sales and marketing personnel in the future will also be critical to our success. Moreover, even though our key personnel is subject to non-compete obligations for a time period, losing our senior management may increase our competitive pressure, as they may join our competitors or start competing businesses. Furthermore, replacing scientific employees, and other qualified technical personnel may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products like those we develop. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms given the competition among numerous biopharmaceutical companies for similar personnel. To compete effectively, we may need to offer higher compensation and other benefits, which could materially and adversely affect our financial condition and results of operations. Any inability to attract, motivate, train or retain qualified scientists or other technical personnel may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We may encounter difficulties in managing our growth and expanding our operations successfully.

Our future financial performance and our ability to commercialize our drug candidates will also depend, in part, on our ability to effectively manage our growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to implement our long-term development strategies. As we continue to implement our development strategies, we intend to expand our operations and add a significant number of managerial, R&D, manufacturing, sales and marketing, and other personnel. Our recent growth and any future growth will also impose significant added responsibilities on members of

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management, including: (i) identifying, recruiting, integrating, maintaining, and motivating additional employees; (ii) managing our internal development efforts effectively, while complying with our contractual obligations to contractors and other third parties; and (iii) improving our operational, financial and management controls, reporting systems and procedures in line with our growth.

If we are not able to effectively manage our growth and further expand our organization, we may not be able to successfully develop and commercialize our drug candidates and, accordingly, may not achieve our research, development and commercialization goals.

Our potential engagement in acquisitions or strategic partnerships in the future may increase our capital requirements, cause dilution for our Shareholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

To enhance our growth, we may acquire businesses, products, technologies or know-how or enter into strategic partnerships that we believe would benefit us in terms of product development, technology advancement or distribution network, among others. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including but not limited to: (i) substantial time and expenses incurred during negotiation; (ii) impact on our financial results; (iii) increased operating expenses; (iv) the assumption of additional indebtedness or contingents; (v) the issuance of our equity securities resulting in dilution to our Shareholders; and (vi) integration of operations, intellectual property and products of an acquired company.

Further, any difficulties in the integration of acquired businesses, product or technologies or unexpected penalties, lawsuits or liabilities in connection with such businesses, product or technologies could have a material adverse effect on our reputation, business, financial condition and results of operations. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to product liability, environmental matters, breach of contract, employment or labor disputes and intellectual property rights. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to actions taken by our counterparties, such as our suppliers, site management organizations (“SMO(s)”) and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

We may be subject to product liability lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical testing and any future commercialization of our drug candidates, subject to limited immunity that we may seek in connection with some of our product candidates. For example, we may be sued if our drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, improper, insufficient or improper labelling of products, insufficient or misleading disclosures of AEs or dangers inherent in the

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product, negligence, strict liability and a breach of warranties. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our drug candidates. Even successful defense would require significant financial and management resources. There is also risk that third parties we have agreed to indemnify could incur liability.

If we are unable to defend ourselves against such claims, we may be subject to civil liability for physical injury, death or other losses caused by our products and to criminal liability and the revocation of our business licenses if our products are found to be defective. In addition, we may be required to recall the relevant products, suspend sales or cease sales. Even if we are able to successfully defend ourselves against any such product liability claims, doing so may require significant financial resources and the time and attention of our management.

Our reputation is important to our success.

We believe that market awareness and recognition of our brand image, and the maintenance of a positive brand image, is crucial to the success of our business. However, our reputation is vulnerable to potential threats that can be difficult or impossible to control, and costly or impossible to remediate. While we will continue to promote our brands to remain competitive, we may not be successful in doing so. In addition, we may engage various third parties, to advance our clinical development programs, expand our commercialization network and increase market access for our drugs, which can make it increasingly difficult to effectively manage our brand reputation, as we have relatively limited control over these third parties.

Any disputes, legal proceedings, regulatory inquiries, investigations or other actions involving us, our Controlling Shareholder, management, employees, business partners and affiliates, or any perceived unethical, fraudulent, or inappropriate conduct by any of the above, could harm our reputation and materially and adversely affect our business. Regardless of the merits or final outcome of such disputes, legal proceedings, regulatory inquiries, investigations or other actions, our reputation may be substantially damaged, which may impede our ability to attract and retain talent and business partners and grow our business.

Increased labor costs could slow our growth and adversely affect our operations and profitability.

Our operations depend in part on the skills and know-how of our employees. In recent years, the average labor cost in the domestic market in which we operate, particularly for highly skilled and experienced personnel, has been steadily increasing as the competition for qualified employees has become more intense. We cannot assure you that there will be no further increase in labor cost, which may adversely affect our financial condition. In addition, share options and other share-based incentives granted under our existing or future share-based incentive arrangements and scheme could adversely affect our costs and our results of operations. See also “— Risks Relating to Our Financial Position and Need for Additional Capital — We have granted, and may continue to grant, share-based awards, which may result in increased share-based payments, which may in result have an adverse effect on our financial performance and cause shareholding dilution to our Shareholders.”

We may be subject to risks in social insurance fund and housing provident fund contributions.

Pursuant to the Chinese laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Any failure to make timely and adequate social welfare contribution for its employees may trigger an order of correction from competent authority requiring the employer to make up the full amount of such overdue social welfare contribution within a specified period of time, and the competent authority may further impose fines or penalties.

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There is no assurance that our historical and current practice with respect to the contribution of social insurance plans will at all times be deemed in full compliance with relevant laws and regulations in Chinese Mainland by government authorities. As a result, we may be required to make additional contributions to social insurance fund and/or housing provident fund and pay late payments and fines under PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not received any order to rectify comprehensively or to settle the shortfall all at once or any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. Based on the foregoing, our PRC Legal Advisor is of the view that the risk that we will be subject to material administrative penalties due to our failure to make full contribution of social insurance and housing provident fund contributions during the Track Record Period is remote, provided that (i) there are no material changes to the relevant laws and regulations, regulatory policies and enforcement and supervisory requirements by local governments, (ii) that no employee complaints or lawsuits are filed, and (iii) that no order to rectify comprehensively or to settle the shortfall all at once has been imposed on us by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. We cannot assure you that we will not be subject to any order to rectify this in the future, nor can we assure you that there are no, or will not be any, relevant employee complaints against us. Any such order may adversely affect our business, financial condition, results of operations.

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to make social insurance contributions and housing provident period in compliance with the relevant PRC laws and regulations, we may be required to pay all outstanding social insurance and housing provident fund within a prescribed period; or subject to additional contribution, late payment surcharges and/or penalties imposed by the relevant authorities, if third-party human resource agencies fail to pay the social insurance or housing provident fund for a small number of employees in full amount and/or in a timely manner, or if the validity of such arrangements is challenged by relevant governmental authorities.

We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control.

Natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as avian influenza, or Severe Acute Respiratory Syndrome (“SARS”), Ebola, Zika, COVID-19, other factors beyond our control, such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks.

There is no assurance that health epidemic or even a more severe pandemic will not occur in the future. These uncertain and unpredictable factors include, but are not limited to, adverse effects of the pandemic on the economy, potential delays of our ongoing and future clinical trials, and disruptions to the operations of our business partners. As of the Latest Practicable Date, our operations had not been materially affected and our facilities had not experienced any power outage as a result of the recent power rationing measures. However, we cannot assure you that we would not experience significant power shortage or outages under similar circumstances in the future.

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Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of 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.

We maintain insurance policies that are required under the PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. For more details, see “Business — Insurance.” Although we maintain insurance coverage for AEs in our clinical trials, this coverage may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations.

In line with industry practice in the PRC, we have elected not to maintain certain types of insurances, such as business interruption insurance or key man insurance. Although we believe our existing insurance coverage is adequate for our present operations and in line with the industry practice in the PRC, our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We may be unable to detect, deter and prevent all instances of bribery, fraud or other misconduct committed by our employees or third parties.

We may be exposed to fraud, bribery or other misconduct committed by our employees or third parties that could subject us to financial losses and sanctions imposed by governmental authorities, which may adversely affect our reputation. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery, or other misconduct involving employees and other third parties that had any material and adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in future. Although we consider our internal control policies and procedures to be adequate, we may be unable to detect, deter and prevent all such instances of misconduct by our employees or third parties. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and reputation.

Our information technology systems, or those used by our partners or other contractors or consultants, may fail or suffer security breaches.

Despite the implementation of security measures, our information technology systems and those of our consultants and other service providers may suffer damage from computer viruses, unauthorized access, cyber-attacks, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our research and development programs. For example, our data may not be backed up in a timely manner and the loss of clinical trial data from ongoing or future clinical trials for any of our drug candidates could result in delays in regulatory approval efforts and significantly increase costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our drug candidates could be delayed.

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Failure to comply with laws and regulations regarding our lease properties may adversely affect our business, financial condition and results of operations.

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 leased for our research relating to mulberry cultivation, and due to our business plan, such land use right was transferred to an independent third party in 2024, subject to the approval of the landlords. Such land is currently used by such third party for agricultural cultivation. However, due to the failure of such third party to obtain the prescribed approval, we are in the legal process to request such third party to return the land to us. 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. However, there is no assurance that such third party will not change the usage of this land in the future. If they fail to comply with the applicable laws and regulations regarding the usage of the land, we may be subject to a fine or additional expenses by the PRC competent regulatory authorities, which could adversely affect our business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN CHINA

Changes in China’s economic, political, social conditions as well as government policies could adversely affect our business, financial condition, results of operations and prospects.

Due to our extensive operations in China, our business, financial condition, results of operations and prospects may be influenced to a significant degree by economic, political, legal and social conditions in China. The PRC government has implemented various measures to encourage economic development, such as allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies. In addition, the PRC government continues to play a significant role in regulating industry development by imposing relevant industrial policies. Some of these measures may benefit the overall China’s economy or our industry, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are currently applicable to us. In addition, in the past, the PRC government implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and results of operations. More generally, if the business environment in China deteriorates from the perspective of domestic or international investment, our business in China may also be adversely affected.

The legal protections available to you under the PRC legal system may be limited. It may be difficult to effect service of legal process and enforce judgments against us and our management.

We are a company incorporated under the laws of the PRC, and a majority of our Directors and our senior management personnel reside within the PRC, and a majority of their assets are located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon us or most of our Directors and senior management within the PRC.

Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) effective on January 29, 2024, promulgated by the Supreme People’s Court, a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant

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people’ court of China or Hong Kong court. However, China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. As a result, investors may also experience difficulties in enforcing judgments if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

We are subject to PRC tax on our income, and the dividends payable to [REDACTED] and gains on the sale of our H Shares by our [REDACTED] are subject to PRC tax.

As a PRC-incorporated company, under applicable PRC tax laws, we are subject to a tax of up to 25% on our substantial income. Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares.

Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to applicable regulations, PRC companies issuing shares in Hong Kong may generally, when distributing dividends, withhold individual income tax at the rate of 10%. However, withholding tax on distributions paid by us to non-PRC individuals may be imposed at other rates pursuant to applicable tax treaties (and up to 20% if no tax treaty is applicable) if the identity of the individual holder of H shares and the tax rate applicable thereto are known to us. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to the Enterprise Income Tax Law of the PRC (the “EIT”) at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT and other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides. Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED] and payments through [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, payment of any such refund will be subject to the PRC tax authorities’ verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H Shares through the sale or transfer by other means of H Shares.

There remains significant uncertainty as to the interpretation and application of the relevant PRC tax laws and regulations by the PRC tax authorities, including whether and how individual income tax or the EIT on gains derived by holders of our H Shares from their disposition of our H Shares may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

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The industry in which we operate in China is highly regulated and such laws, regulations or enforcement policies in China are subject to future changes, which could adversely affect our business.

Our operations are mainly conducted in the PRC. The industry in which we operate in China is subject to comprehensive government regulation and supervision, encompassing the research and development, trials, approval, registration, manufacturing, packaging, licensing and marketing of new drugs and various other aspects of the operation of biopharmaceutical companies. Any violation of the relevant laws, rules and regulations may subject us to disputes, administrative sanctions, criminal sanctions and other legal proceedings. See “Regulatory Overview.” In recent years, the regulatory framework in China regarding the industry in which we operate has undergone significant changes, and we expect that it will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in, or prevent the successful development or commercialization of, our drug candidates in China and reduce the current benefits we believe are available to us from developing and manufacturing drugs in the country. Any failure by us or our partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in China.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our H Shares and the liquidity and an active [REDACTED] market for our H Shares may not develop or be sustained.

No public market currently exists for our H Shares. The initial [REDACTED] for our H Shares to the public will be the result of negotiations between our Company and the [REDACTED], and the [REDACTED] may differ significantly from the [REDACTED] of the H Shares following the [REDACTED]. We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] [REDACTED] for our H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the H Shares will not decline following the [REDACTED].

The [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business, results of operations and the market price of the shares of other companies engaging in similar business may affect the [REDACTED] of our H Shares. In addition to market and industry factors, the [REDACTED] of our H Shares may be highly volatile for reasons specific to our business, such as the results of clinical trials of our drug candidates, the results of our applications for approval of our drug candidates, regulatory developments and healthcare policies directly affecting us, fluctuations in our cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel or actions taken by competitors.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding acquisitions, mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of directors and other significant corporate actions. Immediately after completion of the [REDACTED], assuming the [REDACTED] is not exercised and based on the [REDACTED]

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of HK\$[REDACTED], being the mid-point of the indicative [REDACTED], our Controlling Shareholders will hold (including direct and indirect shareholdings) approximately [REDACTED]% of the issued share capital in our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their H Shares as part of a sale of our Company and might reduce the price of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. We cannot assure you that our Controlling Shareholders will not exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

Future sales or perceived sales or conversion of significant amounts of our H Shares in the [REDACTED] following the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares.

Future sales or perceived sales of significant amounts of our H Shares or conversion of the Unlisted Shares by specific Shareholders, if any, after the [REDACTED] could result in a significant decrease in the prevailing [REDACTED] of our H Shares and our ability to raise equity capital in the future.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares or equity securities in the future.

The [REDACTED] of the H Shares is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the H Shares in the [REDACTED] will experience an immediate dilution. In order to expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares through the employee incentive platforms, which would further dilute Shareholders’ interests in our Company.

Payment of dividends is subject to restrictions under the PRC law and there is no assurance whether and when we will pay dividends.

No dividend has been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return to our Shareholders. For more details, see “Future Plans and Use of [REDACTED].”

RISK FACTORS

However, our management will have discretion as to the actual application of our net [REDACTED]. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net [REDACTED] from the [REDACTED].

Certain facts, forecasts and statistics in this document relating to the industry in which we operate are derived from a third-party report or publicly available sources and may not be fully reliable.

Certain statistics, information and data contained in this document relating to China and elsewhere in the world, and the industry in which we operate have been derived from various official government publications. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Sole Sponsor or any other parties involved in the [REDACTED] and, therefore, we make no representation as to the accuracy of such statistics, information and data, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods and analysis or discrepancies between published information and market practice, such statistics, information and data in this document may be inaccurate or may not be comparable to statistics, information and data produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such facts.

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

Prior to the publication of this document, there has been coverage in the media regarding us. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] on the basis of the information contained in this document only and should not rely on any other information.

WAIVERS AND EXEMPTIONS

In preparation of the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive directors must be ordinarily resident in Hong Kong.

Since our principal business and operations are substantially located, managed and conducted in the PRC, our Directors consider that appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to or appropriate for the Group. As none of our executive Directors are ordinarily based in Hong Kong, we do not, and do not contemplate that we will in the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Ms. JIN Yiqun, our executive Director and general manager, and Mr. CHENG King Yip (“**Mr. CHENG**”), one of our joint company secretaries. Each of the authorized representatives confirms that he or she possesses valid travel documents and can readily travel to Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (b) the authorized representatives have means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matter;
- (c) all of our Directors have confirmed that they possess or can apply for and renew valid travel documents to visit Hong Kong and would be able to meet with the Stock Exchange upon reasonable notice and within a reasonable period. Each of our Directors will be readily contactable by telephone and email, and is authorized to communicate on behalf of our Company with the Stock Exchange;
- (d) each of our Directors has provided his/her respective contact details, including addresses, office phone numbers, mobile phone numbers, email addresses and fax numbers (where applicable), to the Stock Exchange and the authorized representatives. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the contact details and his/her place of accommodation to the authorized representatives;

WAIVERS AND EXEMPTIONS

- (e) our Company has appointed Rainbow Capital (HK) Limited as compliance advisor pursuant to Rule 3A.19 of the Listing Rules who will have access at all times to the authorized representatives, our Directors and other senior management of our Company, and will act as an additional channel of communication with the Stock Exchange for the period commencing on the date of the [REDACTED] of our H Shares on the Main Board and ending on the date when our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Listing Rules; and
- (f) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives or directly with our Directors within a reasonable time frame. The Company will inform the Stock Exchange promptly in respect of any change in the authorized representatives and/or its compliance advisor.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

The Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In assessing “relevant experience,” the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Mr. NIU Juhui (“**Mr. NIU**”) as one of our joint company secretaries. Mr. NIU joined our Group in September 2020 and is our deputy general manager and secretary of our Board. He is primarily responsible for the overall management of our Group’s capital operations, corporate governance, and investor relations. Although our Company believes, having regard to his past experience in handling corporate matters, that he has a thorough understanding of our Company and the Board, he does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Mr.

WAIVERS AND EXEMPTIONS

CHENG, who is a Hong Kong resident and possesses such qualifications, to be a joint company secretary to assist Mr. NIU in the compliance matters for the [REDACTED] as well as other Hong Kong regulatory requirements for a period of three years commencing from the [REDACTED]. For the biographies of our joint company secretaries, see “Directors and Senior Management — Joint Company Secretaries” in this document. Over such three-year period, we will implement measures to assist Mr. NIU to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Mr. NIU’s appointment as joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants on the following conditions:

- (a) Mr. NIU must be assisted by Mr. CHENG, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and
- (b) the waiver is valid for a period of three years from the [REDACTED] and will be revoked immediately if and when Mr. CHENG ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

It is anticipated that Mr. NIU will gain the relevant experience with the assistance of Mr. CHENG. In addition, Mr. NIU will comply with the annual professional training requirements under Rule 3.29 of the Listing Rules and enhance his understanding of the Listing Rules during the three-year period from the [REDACTED]. Our Company will further ensure that Mr. NIU has access to the relevant training and support to familiarize himself with the Listing Rules and the duties of a company secretary of an issuer [REDACTED] on the Stock Exchange.

Before the end of the initial three-year period, we will evaluate Mr. NIU’s experience in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at the time and on-going assistance would be needed. We would then endeavor to demonstrate to the satisfaction of the Stock Exchange that Mr. NIU, having had the benefit of Mr. CHENG’s assistance for three years, would then have acquired the “relevant experience” within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

EXEMPTION IN RELATION TO FINANCIAL STATEMENTS IN THIS DOCUMENT

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and set out the reports specified in Part II of the Third Schedule to the Company (Winding Up and Miscellaneous Provisions) Ordinance.

Paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires a company to include in its document a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the document, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance further requires a company to include in its document a report by the auditors of the company with respect to (i) the profits and losses of the company

WAIVERS AND EXEMPTIONS

for each of three financial years immediately preceding the issue of the document and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the document.

Section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from the compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document be included in the accountants’ report to its document.

Our Company is a Biotech Company as defined under Chapter 18A of the Listing Rules and is seeking a [REDACTED] under Chapter 18A of the Listing Rules. Rule 18A.03(3) of the Listing Rules requires that a Biotech Company must have been in operation in its current line of business for at least two financial years prior to [REDACTED] under substantially the same management. Rule 18A.06 of the Listing Rules requires that a Biotech Company must comply with Rule 4.04 of the Listing Rules modified so that references to “three financial years” or “three years” in Rule 4.04 shall instead be references to “two financial years” or “two years”, as the case may be. Further, pursuant to Rule 8.06 of the Listing Rules, the latest financial period reported on by the reporting accountants for a new applicant must not have ended more than six months from the date of the [REDACTED].

In compliance with the abovementioned requirements under the Listing Rules, the Accountants’ Report of our Company set out in Appendix I to this document is currently prepared to cover the [REDACTED].

As such, the Sole Sponsor [has applied], on behalf of our Company, to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the inclusion of the accountants’ report covering the full three financial years immediately preceding the issue of this document on the following grounds:

- (a) 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, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules. Our Company will fulfill the additional conditions for [REDACTED] required under Chapter 18A of the Listing Rules;
- (b) the Accountants’ Report for the [REDACTED] will be disclosed in the final document of the Company and set out in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;

WAIVERS AND EXEMPTIONS

- (c) as Chapter 18A of the Listing Rules provides a track record period of two years for biotech companies in terms of financial disclosure, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unduly burdensome for our Company;
- (d) notwithstanding that the financial results set out in this document are only for the [REDACTED] in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements; and
- (e) our Directors are of the view that the Accountants’ Report covering the [REDACTED], together with other disclosures in this document, have already provided adequate and reasonable up-to-date information in the circumstances for the potential [REDACTED] to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC [has granted] a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the condition that particulars of the exemption are set out in this document and that this document will be issued on or before [REDACTED].

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. HUANG Yuesheng (黃岳升)	Room 2-2-1001 No.67 South Third Ring Middle Road Fengtai District Beijing PRC	Chinese
Ms. JIN Yiqun (金毅群)	Room 803, Unit 3, Building 41 Longjingwan Phase IV Panggezhuang Town Daxing District Beijing PRC	Chinese
Non-executive Directors		
Prof. LIU Yuling (劉玉玲)	No.2111, 16/F Caoqiao East Road Fengtai District Beijing PRC	Chinese
Dr. WANG Xiaobin (王曉濱)	Room 404, No. 1 Xiada Haibin Siming District, Xiamen Fujian Province PRC	Chinese
Mr. FANG Yueliang (方岳亮)	No. 598, Lane 2199 Gudai Road, Minhang District Shanghai PRC	Chinese
Mr. ZHANG Fangkun (張方堃)	Room 321, 2/F, Building 18 Xinhua West Street Sub-district Office (Township) Tongzhou District Beijing PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent Non-executive Directors		
Dr. PANG Wai Bing Cecilia (彭慧冰)	House D22, NAPA No.88 So Kwun Wat Road Tuen Mun New Territories Hong Kong	Chinese (Hong Kong)
Dr. LI Li (李莉)	No. 101, Unit 2, Building 2 No. 98 Yingshui Road Nankai District, Tianjin PRC	Chinese
Ms. LYU Chunyan (吕春燕)	3-1-501, Middle Section Tsinghua University Haidian District Beijing PRC	Chinese

Further information about our Directors are set out in “Directors and Senior Management” in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen’s Road Central Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Legal Advisors to our Company	<i>As to Hong Kong and U.S. laws:</i> Paul Hastings (Hong Kong) LLP 22/F, Bank of China Tower 1 Garden Road Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

	<i>As to PRC law:</i> Grandway Law Offices 7–8/F, News Plaza No. 26 Jianguomennei Avenue Dongcheng District Beijing PRC <i>As to PRC intellectual property laws:</i> Grandway Law Offices (Nanjing) Floor 43, Suning Global International Center No. 270 Jiqingmen Avenue Gulou District, Nanjing, Jiangsu PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	<i>As to Hong Kong laws:</i> Jingtian & Gongcheng LLP Suites 3203–3207, 32/F Edinburgh Tower, The Landmark 15 Queen’s Road Central Hong Kong <i>As to PRC law:</i> Jingtian & Gongcheng 34/F, Tower 3, China Central Place 77 Jianguo Road Chaoyang District, Beijing PRC
Auditor and Reporting Accountant	Ernst & Young <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 27/F, One Taikoo Place 979 King’s Road, Quarry Bay Hong Kong
Compliance Advisor	Rainbow Capital (HK) Limited Office No. 710, 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong
Industry Consultant	China Insights Industry Consultancy Limited 10/F, Block B Jing’an International Center, 88 Puji Road Jing’an District Shanghai PRC
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered Office	No. 30 Tianfu Street Daxing Biomedicine Industry Base Zhongguancun Science Park Daxing District Beijing PRC
Headquarters and Principal Place of Business in the PRC	No. 30 Tianfu Street Daxing Biomedicine Industry Base Zhongguancun Science Park Daxing District Beijing PRC
Place of Business in Hong Kong	Unit B3, 26/F NCB Innovation CTR 888 Lai Chi Kok Rd Lai Chi Kok Hong Kong
Company’s Website	<u>www.wehandbio.com</u> <i>(The information on the website does not form part of this document)</i>
Joint Company Secretaries	Mr. NIU Juhui (牛巨輝) No. 30 Tianfu Street Daxing Biomedicine Industry Base Zhongguancun Science Park Daxing District Beijing PRC Mr. CHENG King Yip (鄭璟燁) <i>(a member of the Hong Kong Institute of Certified Public Accountants)</i> Unit B3, 26/F NCB Innovation CTR 888 Lai Chi Kok Rd Lai Chi Kok Hong Kong
Authorized Representatives	Ms. JIN Yiqun (金毅群) Room 803, Unit 3, Building 41 Longjingwan Phase IV Panggezhuang Town Daxing District Beijing PRC

CORPORATE INFORMATION

	Mr. CHENG King Yip (鄭璟燁) Unit B3, 26/F NCB Innovation CTR 888 Lai Chi Kok Rd Lai Chi Kok Hong Kong
Audit Committee	Dr. LI Li (李莉) (<i>Chairperson</i>) Mr. ZHANG Fangkun (張方堃) Dr. PANG Wai Bing Cecilia (彭慧冰)
Remuneration Committee	Ms. LYU Chunyan (呂春燕) (<i>Chairperson</i>) Dr. LI Li (李莉) Prof. LIU Yuling (劉玉玲)
Nomination Committee	Mr. HUANG Yuesheng (黃岳升) (<i>Chairperson</i>) Dr. PANG Wai Bing Cecilia (彭慧冰) Ms. LYU Chunyan (呂春燕)
Strategy Committee	Prof. LIU Yuling (劉玉玲) (<i>Chairperson</i>) Mr. HUANG Yuesheng (黃岳升) Dr. PANG Wai Bing Cecilia (彭慧冰) Dr. WANG Xiaobin (王曉濱) Mr. FANG Yueliang (方岳亮)
[REDACTED]	[REDACTED]
Principal Banks	Bank of Beijing, Beijing Daxing Branch Building 1, Yonghua Nanli Huangcun Town Daxing District Beijing PRC China Construction Bank, Beijing Daxing Branch No. 25, Xingzheng Street Huangcun Town Daxing District Beijing PRC

INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various official government publications, available sources from public market data providers and an Independent Third Party source, CIC. The report prepared by CIC and cited in this document was commissioned by us. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. We confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by CIC which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

OVERVIEW OF THE GLOBAL AND CHINA’S NATURAL MEDICINE MARKET

Overview of Natural Medicines

Nature can be viewed as a vast reservoir of molecular diversity, with natural products serving as a rich and indispensable foundation for innovative drug discovery. In China, the NMPA defines Natural Medicines as medicinal substances and their preparations derived from natural sources, including plants, animals, and minerals, and used under the guidance of Modern Medical Theories. In principle, this definition excludes substances derived from genetically modified organisms, those produced via microbial fermentation, or chemically modified compounds. Plants generate secondary metabolites — such as alkaloids, flavonoids/polyphenols, and terpenoids — through secondary metabolism to defend against pests and pathogens, enhance stress tolerance, repair damage, and delay senescence. These metabolites are predominantly small molecules with structurally complex, highly diverse, and species-specific features, and they exhibit broad pharmacological activities. As a result, they play important roles in the treatment of major diseases, including metabolic disorders, malignancies, inflammatory and immune diseases, cardiovascular and cerebrovascular conditions, and respiratory diseases.

Leveraging advances in modern scientific and technological capabilities, Natural Medicines have seen continuous progress in areas such as extraction and isolation, structural characterization, and pharmacological activity research, gradually forming a modern discipline of natural pharmacology and driving ongoing innovation in disease treatment. In China, over 80% of natural medicinal resources are plant-based. Compared with single-component drug, plant-derived “active component groups (有效组分群)” are better suited to exert multi-target and multi-pathway regulatory effects, offering distinct clinical advantages in the treatment of complex chronic diseases. However, the isolation, enrichment, structural elucidation and quality control of these active component groups present higher technical barriers. Studies on pharmacokinetics (“PK”), pharmacodynamics, and regulatory mechanisms are also more complex. This complexity has directly resulted in only a limited number of multi-component Natural Medicines successfully reaching the market. As of now, a very few number, less than 20, of natural medicines have been approved globally, primarily by European Medicines Agency (“EMA”) and the U.S. Food and Drug Administration (the “FDA”), with even fewer indicated for the treatment of major diseases according to public clinical trial information registered under FDA, EMA and NMPA.

Global Market Size of Natural Medicines

The global Natural Medicines market was approximately US\$2.0 billion in 2020 and has grown steadily since then, reaching US\$2.3 billion by 2024, representing a CAGR of 3.9% during this period. With more Natural Medicines expected to gain regulatory approval in the future, and given their demonstrated advantages in long-term disease management, the market

INDUSTRY OVERVIEW

is projected to continue expanding, growing at a CAGR of 10.3% to reach US\$5.0 billion by 2032. Based on annual reports and expert interviews, Chinese Natural Medicines market size is approximately US\$0.7 billion in 2024 and is expected to grow at a rate exceeding that of the overall global Natural Medicines market, reaching US\$2.0 billion by 2032.

Development Trends and Growth Drivers of China’s Natural Medicine Market

Development Trends of Multi-Component: Multi-component Natural Medicines containing multiple classes of bioactive constituents (e.g., alkaloids, flavonoids, polysaccharides and saponins), act via multiple pathways, offering advantages in complex conditions such as inflammation, cancer, immune and metabolic disorders. With the rising prevalence of multifactorial diseases, multi-component Natural Medicines have broader clinical demand. Advances in omics and network pharmacology further enable systematic understanding of multi-component mechanisms, enhancing their integration into modern medicine.

Rising Demand Driven by Chronic Diseases and Population Aging: By the end of 2024, China’s population aged 60+ reached 310.31 million (22% of total). According to literature review, the prevalence of chronic diseases such as cardiovascular, cerebrovascular, diabetes, metabolic, and immune disorders is rising, often requiring multi-target, long-term interventions. Natural Medicines, with multi-component and multi-target properties, are well-suited for chronic disease management and long-term health maintenance. Growing public awareness of safe, natural, and long-term therapies further supports sustained demand for the Natural Medicine market.

Technological Advancements Driving Industry Upgrading: Advances in multi-component analysis (e.g., componentomics, metabolomics) allow precise characterization of complex compositions and mechanisms. The integration of intelligent and automated production with component extraction and enrichment technologies has significantly improved the precision of component enrichment and quality control, while further aligning products with international standards, strengthening R&D and global competitiveness.

Entry Barriers to China’s Natural Medicine Market

Technological Barriers: R&D and manufacturing of Natural Medicines involve systematic processes including raw material selection, active constituent extraction and purification, analysis, and formulation development. Key challenges include complex compositions and batch-to-batch variability, requiring advanced technologies, e.g., high-performance liquid chromatography, gas chromatography, liquid chromatography-mass spectrometry, high-resolution mass spectrometry, inductively coupled plasma mass spectrometry, and specialized facilities to ensure quality consistency.

Legal and Regulatory Approval Barriers: In China, Natural Medicines seeking approval as innovative drugs must undergo preclinical studies (such as pharmacological and toxicological) and multi-phase clinical trials which are strongly evidence-based. These processes are time-consuming and capital-intensive, and must meet regulatory requirements on quality, efficacy, and safety. The high standard of Natural Medicines, including clear and uniform components, while ensuring scientific rigor and safety, creates significant institutional and regulatory barriers to market entry.

Barriers in Sustainable Resource Utilization Capabilities: Natural Medicines, due to their natural origins and close link with the ecological environment, have gained growing recognition. At the same time, raw material sourcing must ensure environmental sustainability. Establishing a stable, traceable, and sustainable supply has become a key competitive advantage. New entrants lack such capabilities may struggle to maintain supply and consistent product quality.

INDUSTRY OVERVIEW

OVERVIEW OF THE GLOBAL AND CHINA METABOLIC DISEASE DRUG MARKET

Overview of Metabolic Diseases

Metabolic diseases are chronic and complex disorders caused by persistent dysregulation across multiple metabolic pathways, including carbohydrates, lipids, proteins, and nucleic acids. They include diabetes, obesity, PCOS, metabolic dysfunction-associated steatohepatitis (“MASH”), and certain cardiovascular conditions. Key clinical features include obesity, hypertension, dyslipidemia, and impaired glucose metabolism. Due to multifactorial pathogenesis and frequent co-occurrence of multiple conditions, single treatment strategies are often insufficient.

Prevalence and Market size of Metabolic Diseases Globally and in China

As documented in the International Diabetes Federation (IDF) and based on literature review, the prevalence of metabolic diseases has been increasing globally, with an estimated overall prevalence of approximately 25%, making them a significant global health concern. In China, the prevalence is estimated at around 35%, reaching as high as 58.1% among individuals aged 60 years and above. In 2024, the total number of individuals affected by metabolic diseases worldwide is projected to be approximately 2.6 billion, of which about 550.0 million are in China. The growth rate of metabolic disease prevalence in China is expected to outpace that of developed countries such as the United States.

Growth Drivers and Future Trends of the Metabolic Disease Treatment Market

The growth of the metabolic disease treatment market is primarily driven by the following key factors:

- **Increasing demand from patients with metabolic chronic diseases:** The global prevalence of metabolic chronic diseases continues to rise, with a noticeable trend toward younger populations. The incidence of conditions such as obesity, diabetes, and MASH has been increasing annually, closely associated with lifestyle changes, dietary patterns, and sedentary behavior, representing a key driver of market growth.
- **Trend of multimorbidity:** Conditions such as diabetes, obesity, hyperlipidaemia and hyperuricaemia often coexist in the same patient, with intertwined pathophysiological mechanisms, making single-target interventions insufficient to address clinical needs. As the understanding of metabolic syndrome and its associated complications deepens, clinical practice and research are increasingly focusing on comprehensive therapeutic approaches capable of simultaneously managing glucose, body weight, lipid levels and inflammation.
- **Innovative drug development toward multi-target therapy:** To address the complexity and comorbidity of metabolic diseases, the drug development paradigm is evolving from single-target approaches to multi-target strategies. Whether in the form of multi-target single-molecule drugs based on modern biotechnology, or multi-component drugs derived from natural sources, these therapies can act on multiple targets, providing distinctive advantages in managing complex metabolic conditions.

Overview of the Type 2 Diabetes Drug Market Globally and in China

Overview of Type 2 Diabetes

Diabetes is a chronic metabolic disease characterized by elevated blood glucose. Prolonged hyperglycaemia can cause vascular and nerve damage, leading to cardiovascular and cerebrovascular complications, renal failure, retinopathy, diabetic foot, and neuropathy,

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increasing the risk of disability and premature death. Diabetes is mainly classified into type 1 diabetes and type 2 diabetes. Type 1 diabetes is an autoimmune disease causing absolute insulin deficiency and lifelong insulin dependency, while type 2 diabetes, caused by insulin resistance or insufficient secretion, is the predominant form in China and even globally, accounting for approximately 96% of cases. According to IDF, in the diabetic population, over 70% of patients reported the presence of at least one complication.

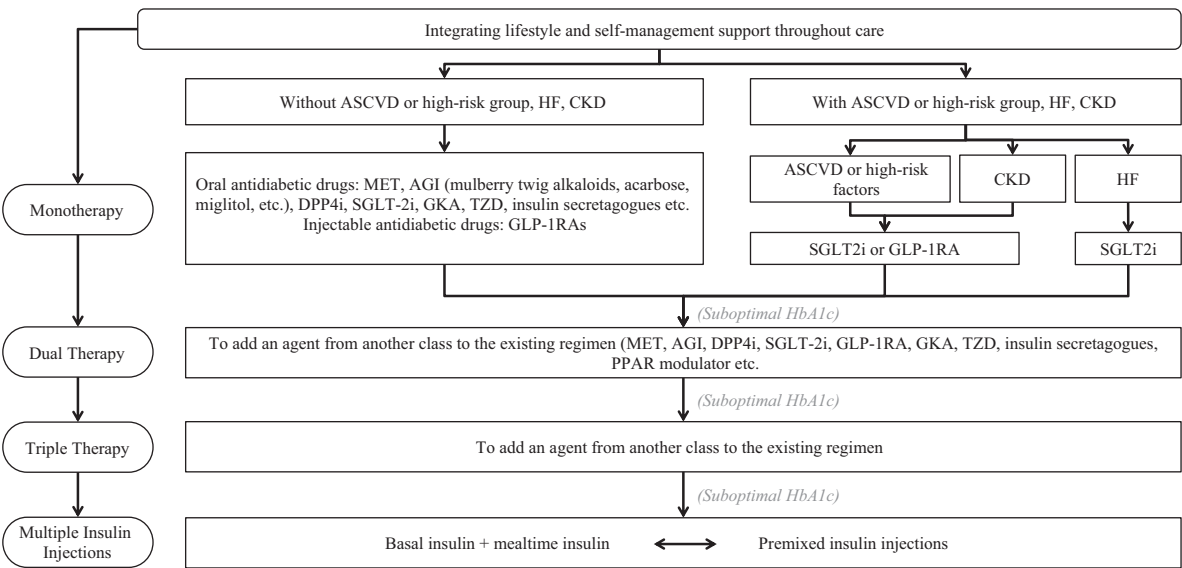
Prevalence of Type 2 Diabetes Globally and in China

According to the International Diabetes Federation (“IDF”), in 2024, the prevalence of diabetes among adults aged 20–79 worldwide was approximately 11%, with type 2 diabetes accounting for over 90% of cases. In China, the prevalence of diabetes among adults was approximately 9.5%. In 2020, the number of individuals with type 2 diabetes was 506.1 million worldwide and 118.9 million in China, both growing at a CAGR of 1.8% to reach 542.9 million and 127.6 million, respectively, by 2024. The global type 2 diabetes population is projected to increase to 609.6 million by 2032, at a CAGR of 1.5%.

Treatment Options for Type 2 Diabetes in China

The table below presents the treatment regimens for type 2 diabetes in China.

Glycemic Management for Type 2 Diabetes



Note: ASCVD, Atherosclerotic Cardiovascular Disease; HF, Heart Failure. CKD, Chronic Kidney Disease. GLP-1RA, Glucagon-Like Peptide-1 Receptor Agonist. SGLT2i, Sodium-Glucose Cotransporter-2 Inhibitor. HbA1c, Glycated Hemoglobin. DPP-4i, Dipeptidyl Peptidase-4 Inhibitor. TZD, Thiazolidinedione. GKA, Glucokinase Activator.

Source: Chinese Guidelines for the Prevention and Treatment of Type 2 Diabetes (2024), National guidelines for the prevention and control of diabetes in primary care (2025), CIC

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Major Type 2 Diabetes drug categories in China

Drug class	MOA	Blood glucose control ¹	Hypoglycemia	Body weight	Risk of	Common adverse	Advantage	Limitation
			risk		muscle loss	reaction		
GLP-1RA	● Activate GLP-1 receptor, increase insulin secretion, decrease glucagon secretion ● Sometimes combined with agonists targeting GCGR and/or GIPR	● High to very high (~1.2%-1.8%)	● x	● Reduction	● High	● GI effects	● Effective blood glucose control and weight loss, cardiovascular benefits	● GI effects, high costs
Metformin	● Decrease in hepatic glucose production; increase in muscle insulin sensitivity by activating AMPK	● High (~1.0%-1.5%)	● x	● Stability	● Neutral	● GI effects	● Low hypoglycemia risk and affordable	● Limited blood glucose control
TZDs	● Bind PPAR-γ, decrease insulin resistance and increase glucose utilization	● High (~0.8%-1.5%)	● x	● Increase	/	● Edema	● Increase HDL cholesterol and reduce triglycerides	● Increased risk of heart failure, dose-dependent AEs, and weight gain
Sulfonylureas	● Stimulates beta cell insulin secretion	● High (~1.0%-1.5%)	● $\surd$	● Increase	/	● Hypoglycemia	● Affordable	● Hypoglycemia risk and weight gain
DPP-4i	● Prevent degradation of GLP-1	● Intermediate (~0.5%-0.8%)	● x	● Stability	● Neutral	● N/A	● Very low hypoglycemia risk	● Moderate blood glucose control
SGLT2i	● Prevent glucose reabsorption and facilitate its excretion in urine by inhibiting SGLT-2	● Intermediate to high (~0.6%-1.0%)	● x	● Stability	● Neutral	● urinary tract infection	● Cardiorenal protection	● Urinary tract infection
Insulin	● Stimulate glycogen synthesis, increase glycolysis and glucose transport, inhibit glycogenolysis, gluconeogenesis, and glucagon secretion	● High to very high (~1.5%-2.5%)	● $\surd$	● Increase	/	● Hypoglycemia	● Effective blood glucose control	● Self-management need, hypoglycemia
GKA	● Acts as a glucose sensor, triggering counter regulatory responses following a change in glucose levels to aid restoration of normoglycemia.	● High (~0.7%-1.0%)	● x	● Stability	● Neutral	● N/A	● Oral administration, good blood glucose control	● Limited clinical evidence on cardiovascular effects
Mulberry Twig Alkaloids Tablets (Natural Medicine)	● Inhibit α-glucosidase in the intestine, delay carbohydrate decomposition and glucose absorption, and lower postprandial blood sugar	● High to very high (~1.0%-2.1%)	● x	● Reduction	● Low	● Mild gastrointestinal reactions, which usually subside with prolonged use	● Clear MOA, effective blood glucose control, low hypoglycemia risk, mild gastrointestinal reactions, potential cardiovascular and renal benefits	● More clinical evidence

Note: The values for glycemic control represent the reduction in HbA1c at 24 weeks. Efficacy ratings from “High” to “Very High” denote a strong blood glucose-lowering effect.

Source: Guidelines for the Prevention and Treatment of Type 2 Diabetes in China (2024 Edition), CIC

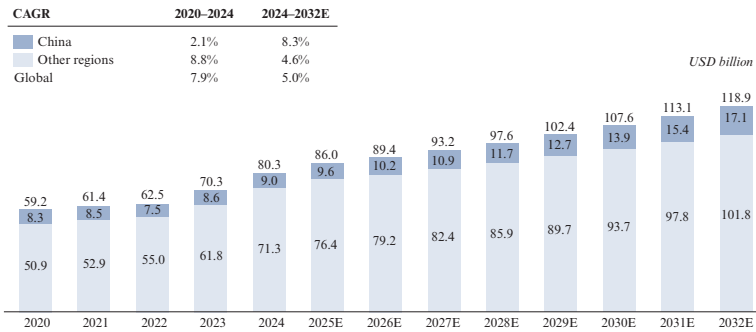
Market Size of Type 2 Diabetes Drugs Globally and in China

In recent years, with the approval of innovative therapies such as Glucagon-Like Peptide-1 Receptor Agonists (“GLP-1RA”) and Mulberry Twig Alkaloid Tablets, the Chinese type 2

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diabetes drug market has attracted increasing attention. The table below presents the historical and projected market size of type 2 diabetes drugs globally and in China from 2020 to 2032.

Global and China’s Type 2 Diabetes drug market size, 2020–2032E



Source: NMPA, FDA, IDF, periodic reports published by listed companies, interviews with industry experts, CIC.

Trends of Clinical Demand for Type 2 Diabetes Drugs Globally and in China

With the global population of type 2 diabetes patients continuing to expand and the onset of the disease occurring increasingly at younger ages, diabetes management is shifting from single glycaemic control toward comprehensive, multi-benefit strategies that address cardiovascular, renal, and metabolic comorbidities. At the same time, growing emphasis on long-term safety and tolerability, particularly for younger patients, and increasing demand for convenient, preferably oral, therapies are reshaping drug development priorities.

Competitive Landscape of Natural Medicine Market for Type 2 Diabetes in China

As of the Latest Practicable Date, only one Natural Medicine for the treatment of type 2 diabetes has been approved in China, namely *Sangbo'en*, which were launched by our Company in 2020. In addition, there is no other Natural Medicine currently in clinical trials in China for the treatment of type 2 diabetes.

Market-Approved Natural Medicines for Type 2 Diabetes in China

Drug name	Drug class	Company	Indication(s)	First approval date	Route of Administration	NRDL year
<i>Sangbo'en</i>	TCM category 1.2	Our Company	Type 2 Diabetes	03/17/2020	Oral	2020

Source: NMPA, CIC

Overview of the PCOS Drug Market Globally and in China

Overview of PCOS

PCOS is a complex reproductive endocrine and metabolic disorder affecting women throughout their lifespan. PCOS is the most common cause of menstrual irregularities and anovulatory infertility, and it also represents a high-risk factor for early miscarriage, gestational diabetes, and endometrial cancer.

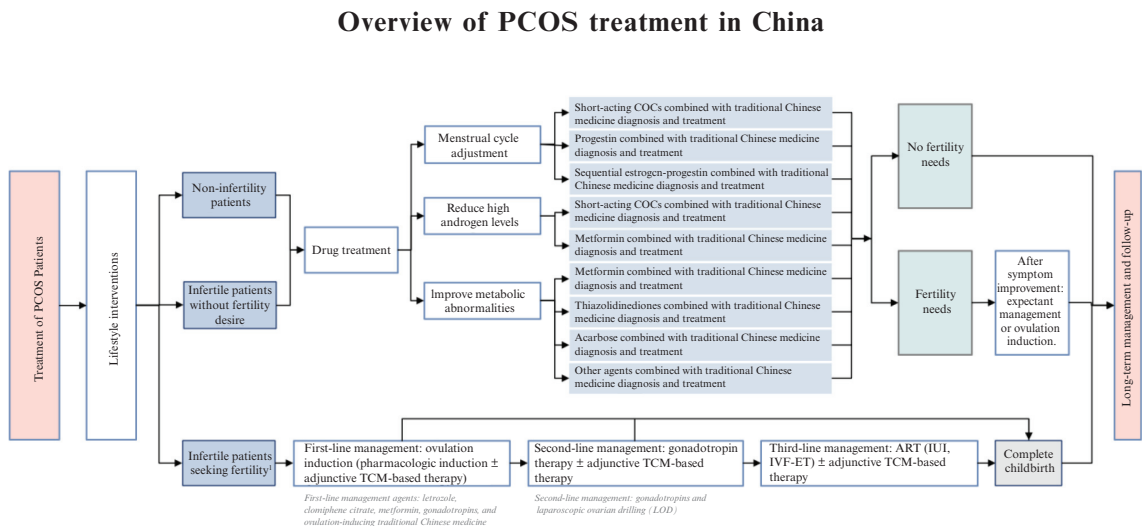
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The pathogenesis of PCOS is complex, involving both external and internal factors. External factors include epigenetics, environmental toxins, physical and emotional stress, and dietary influences, while internal factors include hyperandrogenemia, insulin resistance, and obesity. Dysregulation of the HPO axis and the resulting hyperandrogenemia are currently recognized as one of the core pathological mechanisms, with insulin resistance potentially affecting PCOS directly or indirectly via the HPO axis.

Prevalence of PCOS Globally and in China

According to the WHO, PCOS affects approximately 6%-13% of women of reproductive age worldwide. In population-based estimate, the prevalent rate is 7.8% in China, 10.5% in the US, 11.7% in Europe, and as high as 15.1% in the Middle East regions. Key risk factors include endocrine-disrupting chemicals in industrialized environments, obesity and increased visceral fat, as well as a diet high in calories and fat combined with a sedentary lifestyle. Globally, there were an estimated 200.9 million women living with PCOS in 2024, of whom approximately 34.4 million were in China. The total number of affected individuals is expected to increase further in the coming years.

Treatment Options for PCOS in China



Note: 1. For PCOS patients with infertility solely due to anovulation.

Source: Expert consensus on the pathway of diagnosis and management of polycystic ovary syndrome (2023), PCOS Integrated TCM & Western Medicine Guidelines (2024), CIC

Given the complex etiology of PCOS, which involves multiple pathogenic mechanisms, current medical treatments primarily focus on symptomatic management and may have limitations in addressing the full spectrum of its underlying pathophysiology. In contrast, multi-component Natural Medicines may exert synergistic effects through multiple targets and pathways, thereby enabling a more comprehensive modulation of key pathological processes in PCOS, such as endocrine dysregulation and insulin resistance. As a result, Natural Medicines may offer potential advantages in improving PCOS-related symptoms and associated metabolic abnormalities.

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Analysis of Unmet Clinical Needs in PCOS Drug Therapy Globally and in China

There are no globally approved therapies targeting PCOS. Current management relies on off-label symptomatic treatments — including oral contraceptives, insulin sensitizers, anti-androgens, and ovulation-inducing agents — that may not address its underlying pathophysiology and may not meet the patient needs for natural fertility.

Market Size of PCOS Drugs Globally and in China

According to CIC, the global PCOS drug market is expected to grow from approximately US\$4.3 billion in 2020 to around US\$7.3 billion by 2032E, representing a CAGR of 4.3% in the historical period and 4.6% in the forecast. Among this, the CAGR in China is significantly higher than the global average, 5.9% for the historical and 6.8% for the forecast.

Competitive Landscape of Natural Medicines for PCOS in China

As of the Latest Practicable Date, no drugs have been approved for the direct treatment of PCOS. Only WH007 is planned to initiate a Phase II clinical development in 2026.

Clinical pipelines of Natural Medicines under development for the treatment of PCOS in China, as of the Latest Practicable Date

<u>Drug name</u>	<u>Drug class</u>	<u>Company</u>	<u>Indication(s)</u>	<u>Phase</u>	<u>Route of administration</u>	<u>First posted date</u>
WH007	TCM category 2.3	Our Company	PCOS	Phase II to be initiated	Oral	/

Source: CDE, CIC

Overview of the Obesity Drug Market Globally and in China

Overview of Obesity

The WHO defines obesity as abnormal or excessive fat accumulation that presents a risk to health. Obesity is a chronic disease and a major contributing factor to various other chronic conditions. In recent years, the prevalence of overweight and obesity in China has continued to rise, making obesity a significant public health issue and the sixth leading risk factor for death and disability in the country.

Obesity can independently or in combination with other diseases contribute to or exacerbate various health complications. It increases the risk of cardiovascular diseases, particularly heart failure, coronary heart disease, and arthritis. Overweight and obesity are also major risk factors for prediabetes and type 2 diabetes, with higher degrees of obesity correlating with greater risk. According to World Obesity Federation and based on established literature, among individuals with obesity, the prevalence of prediabetes and type 2 diabetes is 43.1% and 23.0%, respectively. Driven by strong market demand and demonstrated efficacy, GLP-1RA-based therapies have acquired much significance globally. However, certain limitations remain in their clinical use. Current drug development trends are primarily focused on multi-target therapies and their oral formulations. The mechanistic characteristics of multi-component natural medicines are better positioned to meet the needs of obesity drug development.

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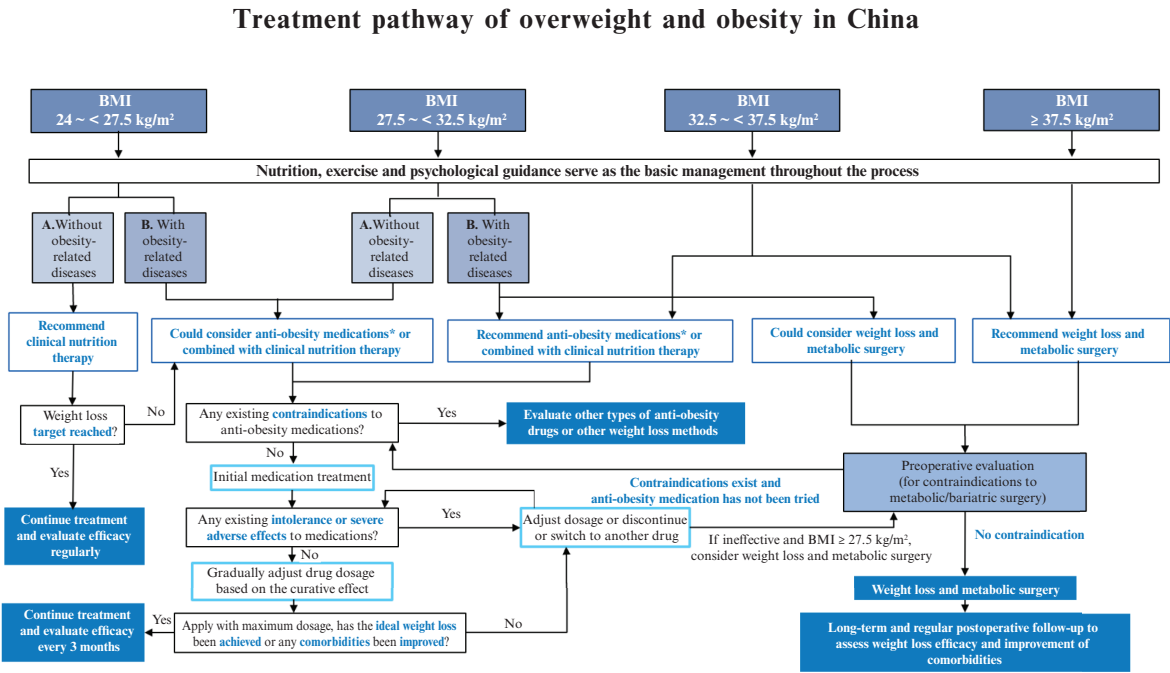
Prevalence of Obesity Globally and in China

Based on World Obesity Federation, obesity has also become an increasingly severe global public health issue, with China having the largest population of individuals affected. According to Chinese standards, the prevalence of overweight and obesity among Chinese adults is 34.3% and 16.4%, respectively. Among children and adolescents aged 6–17 years, the prevalence of overweight and obesity is 11.1% and 7.9%, respectively. And among children under 6 years old, the prevalence of overweight and obesity is 6.8% and 3.6%, respectively. Significant regional variations in overweight and obesity prevalence exist within the Chinese population.

According to WHO, in 2024, the global population with obesity is estimated at 1,002.7 million, projected to grow at a CAGR of 2.9% to reach 1,261.0 million by 2032. In China, the number of individuals with obesity is estimated at 277.4 million in 2024, rising to 330.3 million by 2032.

Treatment Options for Obesity in China

The figure below illustrates the obesity and overweight treatment framework recommended by Chinese national guidelines:



Note: anti-obesity medications e.g., Orlistat, GLP-1 RAs

Source: Chinese Guidelines for the Clinical Management of Obesity (2024 Edition), CIC

Analysis of Unmet Clinical Needs in Obesity Drug Therapy Globally and in China

The current unmet clinical needs in obesity therapy, both globally and in China, include three key aspects. Firstly, existing therapies cannot reduce fat mass without muscle loss. Optimal therapies should therefore enable scientifically guided weight management, reducing fat while preserving muscle to optimize overall health. Secondly, durable long-term efficacy is

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essential, as most current treatments lose effectiveness over time, highlighting the need for interventions that support stable weight maintenance for instance, by multi-target or multi-component therapies. And finally, as adverse effects such as gastrointestinal discomfort, hypoglycemia, pancreatitis, and rare serious risks reduce patient compliance, the safety and tolerability are become major issues. Therefore, there is a strong demand for therapies that are effective, safe, and sustainable for long-term obesity management.

Market Size of Obesity Drug Therapy Globally and in China

In 2024, the global market size of obesity drug is estimated at US\$18.6 billion, projected to grow at a CAGR of 15.6% to reach US\$59.1 billion by 2032. In China, the market size of obesity drug is estimated at US\$0.3 billion in 2024. With the approval of innovative drugs such as GLP-1R, the market will rapidly increase to US\$7.4 billion by 2032 according to annual reports.

Competitive Landscape of Natural Medicine Market for Obesity in China

As of the Latest Practicable Date, no Natural Medicines have been approved for the treatment of obesity in China. At the same time, only one natural product is currently in clinical development, undergoing a Phase II clinical trial.

Clinical pipelines of Natural Medicines under development for the treatment of obesity in China, as of the Latest Practicable Date

Drug Name	Drug Class	Company	Indication(s)	Phase	Route of administration	First Posted Date
WH006	TCM Category 2.3	Our Company	Obesity or overweight in adults	Phase II	Oral	08/21/2025

Source: CDE, CIC

OVERVIEW OF GLOBAL AND CHINA’S ANTI-TUMOR CHEMOTHERAPY MARKET

Incidence of Cancer Globally and in China

In 2024, approximately 20.8 million new cases of malignant tumors are expected worldwide, with around 5.1 million new cases in China. Breast cancer is the most commonly diagnosed malignancy among women globally, accounting for approximately 24.0% of all new female cancer cases, and ranks among the top three high-incidence cancers in Chinese women. With population aging, environmental factors, and lifestyle changes, the overall cancer incidence in China and globally continues to rise, with certain cancer types trending younger, thereby increasing the demand for early screening, accurate diagnosis, and effective treatment.

Market Size of Anti-tumor Drug Globally and in China

Anti-tumor drugs can be broadly categorized into chemotherapy, immunotherapy, and targeted therapy. According to CIC, the global anti-tumor drug market reached US\$262.1 billion in 2024. The China anti-tumor drug market grew from US\$25.8 billion in 2020 to US\$37.2 billion in 2024, representing a CAGR of 9.6%. The market is expected to continue growing at a CAGR of 15.5%, reaching US\$113.4 billion by 2032. Chemotherapy, as a critical

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modality in cancer treatment, has been applied for several decades and remains one of the widely adopted systemic treatment approaches. In 2024, chemotherapy drugs accounted for over 40% of the total anti-tumor drug market in China.

Natural Medicines have consistently played a significant role in anti-tumor treatment, particularly active monomers derived from natural plants. Approximately 50% of previously approved anti-tumor small-molecule drugs are either directly or indirectly sourced from natural products, including plants, marine organisms, and microorganisms. Plant-derived monomers, such as paclitaxel, camptothecin, podophyllotoxin, and their semi-synthetic derivatives, have formed the core foundation of modern chemotherapy drug systems. Natural monomers are characterized by structural diversity, unique targets of action, and high-efficiency intervention in key cellular pathways, providing irreplaceable templates for new drug development.

Overview of Breast Cancer Drug Market Globally and in China

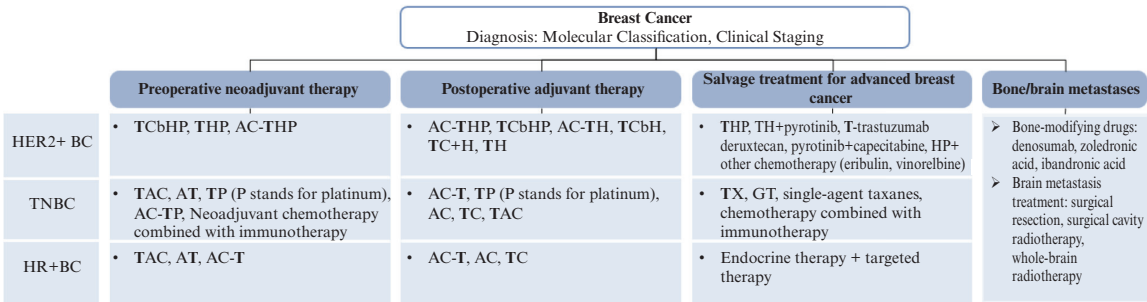
Overview of Breast Cancer and Its Epidemiology

As the most common malignant tumor among newly diagnosed women worldwide, according to WHO Global Cancer Observatory, in 2024, the number of new breast cancer cases globally and in China is estimated to be approximately 2,397.0 thousand and 374.7 thousand, respectively, and it is projected that the global incidence will exceed 2,700 thousand new cases by 2032. As reported in the peer-reviewed literature, among all breast cancer cases, approximately 80% are HER2-negative. Within this HER2-negative population, about 80% are classified as HR-positive Luminal subtype breast cancer and 20% are classified as triple-negative breast cancer. Approximately 30% of patients with HR + /HER2– breast cancer are diagnosed at an advanced stage. The five-year survival rate for advanced and metastatic HR + /HER2– breast cancer in China is estimated to be around 20%, underscoring the urgent need for more effective treatment strategies.

Treatment Pathways for Breast Cancer in China

Breast cancer treatment is typically individualized based on tumor molecular subtype, disease stage, and the overall condition of the patient, encompassing surgery, radiotherapy, endocrine therapy, targeted therapy, immunotherapy, and chemotherapy. For early-stage and locally advanced breast cancer, surgery remains the cornerstone of curative treatment. Within this comprehensive treatment framework, chemotherapy — including paclitaxel — continues to play an indispensable role, maintaining a pivotal position across all stages of the disease.

BC treatment pathway in China



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Note: **T.** Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel; **A.** Anthracyclines, including epirubicin, pirarubicin, and doxorubicin; **C.** Cyclophosphamide; **Cb.** Carboplatin; **H, P.** Trastuzumab, pertuzumab, and their subcutaneous formulations approved in China; **X.** Capecitabine; **G.** Gemcitabine.

Source: CSCO, CIC

According to the *Expert consensus on the clinical practice of taxanes for the treatment of breast cancer*, paclitaxel-based therapies have established a well-recognized role in breast cancer chemotherapy following more than 20 years of clinical research and application. Paclitaxel demonstrates high efficacy as monotherapy and are frequently used in combination with other chemotherapeutic or targeted agents.

In recent years, the use of neoadjuvant therapy has become increasingly prevalent in breast cancer treatment strategies. For certain patients, administering paclitaxel-based chemotherapy prior to surgery can significantly reduce tumor size and downstage the disease, thereby creating more favorable conditions for subsequent surgical intervention and enabling surgery for patients who were initially considered inoperable. Neoadjuvant therapy also plays an important role in improving prognosis, increasing the likelihood of breast-conserving surgery, and providing valuable information for evaluating drug efficacy and guiding subsequent individualized treatment.

Market Size of Luminal Subtype Breast Cancer Drug Therapy Globally and in China

According to CIC analysis, the global market size for Luminal subtype breast cancer drug therapy is expected to demonstrate steady growth over the period from 2020 to 2032E. The market expanded from approximately US\$20.6 billion in 2020 to about US\$26.5 billion in 2024, and is projected to further increase to around US\$40.0 billion by 2032. During the same period, China’s market grew from roughly US\$2.1 billion in 2020 to approximately US\$2.6 billion in 2024, and is expected to reach about US\$4.4 billion by 2032.

Unmet Clinical Needs of Paclitaxel-Based Therapies in Neoadjuvant Treatment of Breast Cancer

Paclitaxel-based combination neoadjuvant chemotherapy regimens constitute the current standard of care for breast cancer treatment. However, according to Global Breast Cancer Conference, the total pathological complete response (“**tpCR**”) rate among Luminal subtype breast cancer patients was reported to be only 9.3%, indicating suboptimal response to conventional paclitaxel therapy, limited tumor shrinkage, and difficulty in achieving ideal surgical downstaging or breast-conserving opportunities. These observations highlight the urgent need to optimize administration methods to further unlock the antitumor potential of paclitaxel.

Clinical Pipelines of Paclitaxel-Based Neoadjuvant Therapy for Luminal Subtype Breast Cancer in China

Currently, according to public clinical trial information registered under NMPA, there is only one clinical product under research in China for the neoadjuvant treatment of breast cancer using paclitaxel-based drugs.

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Market Drivers for Neoadjuvant Breast Cancer Therapies in China

In recent years, China’s neoadjuvant breast cancer drug market has expanded rapidly, driven by growing clinical demand. With the release of updated neoadjuvant treatment guidelines and the advancement of standardized clinical practice, the role of neoadjuvant therapy in preoperative tumor downstaging and improving postoperative outcomes has become increasingly prominent. Multicenter data indicate that during the past decade, the utilization rate of neoadjuvant therapy increased from approximately 15.9% to over 30%, and is expected to further rise, reflecting its expanding clinical adoption nationwide. Beyond improving pathological complete response rates, neoadjuvant therapy enhances opportunities for surgical downstaging, thereby supporting sustained growth in the associated pharmaceutical market.

Overview of Raw Material Price

Mulberry twig. Mulberry twig are the key raw materials of Mulberry Twig Alkaloids. The reference price for bulk procurement of mulberry twig for production purposes is approximately RMB600 per metric ton, subject to variations based on specifications and origin, and has remained relatively stable in recent years.

Source of information

In connection with the [REDACTED], we have engaged CIC to conduct an in-depth analysis of our identified principal markets and to prepare an industry report. CIC is an independent global market research and consulting firm that provides market research services across various industries, including biotechnology. We have agreed to pay CIC total fees of RMB580.0 thousand for the preparation of the CIC Report, and we believe such fees are consistent with market rates. Payment of such fees is not contingent upon whether we successfully [REDACTED] or the outcome of the CIC Report. Other than the CIC Report, we have not commissioned any other industry report in connection with the [REDACTED].

The market forecasts contained in the CIC Report are based on the following key assumptions: (i) China’s overall social, economic and political environment is expected to remain stable during the forecast period; (ii) over the next ten years, China’s economic and industry development is likely to maintain a steady growth trend; (iii) relevant key industry drivers are expected to continue to propel market growth during the forecast period; and (iv) there will be no extreme force majeure events or industry regulatory changes that could materially or fundamentally affect the market. The accuracy of the above key assumptions may affect the reliability of the CIC Report.

REGULATORY OVERVIEW

OVERVIEW OF PRC LAWS AND REGULATIONS

We are required to comply with various PRC laws, rules and regulations that affect multiple aspects of our business. This section sets forth an overview of the principal PRC regulatory authorities and PRC laws and regulations that we consider relevant to our business and operations in the PRC.

Principal Regulatory Authorities

In addition to the authorities responsible for the general administration of companies in the PRC, our business in the PRC is primarily subject to the supervision and regulation of the following authorities:

National Medical Products Administration and the CDE

The NMPA (formerly known as the China Food and Drug Administration (the “CFDA”)) is the competent authority for the pharmaceutical industry in the PRC. It is responsible for drafting regulations, guidelines and standards for drugs and medical devices, formulating policy plans, promulgating departmental rules, organizing the formulation and publication of the national pharmacopoeia and other standards for drugs and medical devices, establishing classification management systems, and supervising their implementation.

CDE is the drug registration technical review body under the NMPA. It is principally responsible for conducting technical reviews of drug registration applications and related verification of drug registration matters.

National Health Commission

The National Health Commission (the “NHC”, formerly known as the National Health and Family Planning Commission), as the principal national-level authority responsible for public health and family planning administration, is primarily responsible for formulating national health policies, supervising and administering public health, medical services and emergency health response systems, coordinating healthcare system reform, organizing the formulation of national drug policies and the national essential drug system, conducting drug use monitoring, comprehensive clinical evaluations and early warning for drug shortages, proposing pricing policy recommendations for national essential drugs, and regulating the operation of medical institutions and the practice of medical personnel.

National Healthcare Security Administration

The National Healthcare Security Administration (the “NHSA”), established in May 2018 and directly under the State Council, is responsible for administering the healthcare security system. It is primarily responsible for formulating and implementing policies and standards for medical insurance, maternity insurance and medical assistance, as well as supervising and administering healthcare security funds; formulating unified reimbursement catalogues and payment standards for drugs, medical consumables and medical services under medical insurance; and formulating policies on the centralized procurement and tendering of drugs and medical consumables and supervising their implementation.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OUR BUSINESS

Drug Registration Classification and Natural Medicines

Drug Registration Classification

According to the Measures for the Administration of Drug Registration 《藥品註冊管理辦法》 issued by the State Administration for Market Regulation and implemented in July 1, 2020, drug registration is classified by categories such as traditional Chinese medicines, chemical drugs and biological products. Registration of traditional Chinese medicines is further classified into innovative traditional Chinese medicines, modified new traditional Chinese medicines, compound preparations of ancient classical prescriptions, and drugs with the same name and formulation. Registration of chemical drugs is classified into innovative chemical drugs, modified new chemical drugs and generic drugs. In addition, pursuant to the Provisions for the Registration Classification and Application Requirements of Traditional Chinese Medicines (《中藥註冊分類及申報資料要求》) promulgated by the NMPA on September 27, 2020, natural medicines refer to natural medicinal substances and their preparations used under the guidance of modern medical theories, and natural medicines shall be classified with reference to the registration classification for traditional Chinese medicines.

Natural Medicines

Pursuant to the Technical Requirements for Research and Development of New Natural Medicines (《天然藥物新藥研究技術要求》) promulgated by the former State Food and Drug Administration (effective on January 18, 2013), natural medicines refer to natural medicinal substances and their preparations used under the guidance of modern medical theories. Their sources include plants, animals and minerals, and generally exclude substances derived from genetically modified animals or plants, as well as substances modified through microbial fermentation or chemical processes.

Research and development of natural medicines shall focus on the following aspects: (i) clinical trial protocol design and evaluation under the guidance of modern medical theories; (ii) sufficient justification for the determination of active ingredients; (iii) adequate experimental data demonstrating the rationality of prescriptions, as well as non-clinical and clinical efficacy and safety; and (iv) ensuring sustainable utilization of resources. The development of natural medicines shall conform to modern medical theories, emphasize evidence from experimental research, reflect clinical application value, and ensure drug safety, efficacy and consistent and stable quality. Systematic research on the chemical constituents of natural medicines shall be conducted to clarify the structural types of major categories of constituents and the structures of principal components, and to determine the active ingredients.

The research, development, and registration of natural medicines shall comply with the registration classification and relevant requirements under the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》). The clinical efficacy of natural medicines shall be evaluated using modern medical methodologies and standards, and their indications shall be described in accordance with standardized modern medical terminology. Non-clinical safety studies of new natural medicines shall comply with the GLP and be conducted at drug non-clinical safety evaluation institutions certified by the State Food and Drug Administration. Clinical trials of natural medicines shall comply with the GCP and be conducted at institutions that have obtained qualifications as national drug clinical trial institutions. Prior to market approval, new natural medicines shall undergo phase I, II, and III clinical trials. The design and evaluation criteria for such clinical trials shall refer to the relevant technical guidelines for chemical drug clinical trials.

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Regulations on Drug Administration

Drug Regulatory Regime

The Drug Administration Law of the People’s Republic of China (《中華人民共和國藥品管理法》) (the “**Drug Administration Law**”), as most recently amended by the Standing Committee of the National People’s Congress (the “NPCSC”) and effective on December 1, 2019, together with the Regulations for the Implementation of the Drug Administration Law of the People’s Republic of China (《中華人民共和國藥品管理法實施條例》) (the “**Implementation Regulations**”), amended by the State Council on December 6, 2024 and effective on January 20, 2025, establish the legal framework for the establishment of drug manufacturing enterprises and drug distribution enterprises, as well as for drug administration (including new drug development and manufacturing). Pursuant to the Drug Administration Law and the Implementation Regulations, the State encourages the research and creation of new drugs and protects the lawful rights and interests relating to the research and development of new drugs. Prior to conducting a first-in-human clinical trial, any new drug developer and clinical trial sponsor must truthfully submit to the NMPA the manufacturing process, quality control data, pharmacology and toxicology study reports, relevant materials, clinical trial protocols and other required documentation for approval. Where further clinical trials are required, the applicant shall communicate with the CDE or, in accordance with the relevant provisions of the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) (effective on July 1, 2020) promulgated by the NMPA, submit an application for IND to the CDE for approval.

Application for Clinical Trials

Pursuant to the Drug Administration Law, to conduct a clinical drug trial, an applicant shall truthfully submit to the drug regulatory authority under the State Council the research methodology, quality specifications, pharmacological and toxicological test results and other new drug research and development dossiers, together with relevant data, materials and samples, and obtain approval. According to the Measures for the Administration of Drug Registration, clinical drug trial shall be divided into phase I clinical trial, phase II clinical trial, phase III clinical trial, phase IV clinical trial, and bioequivalence trial. A sponsor shall, before commencing clinical drug trial, register the plan for clinical drug trial and other information on the clinical drug trial registration and information disclosure platform. According to the Administrative Specifications for the Registration and Information Disclosure of Clinical Drug Trial (for Trial Implementation), the CDE shall review the clinical drug trial information registered by the applicant in accordance with the current laws and regulations, clinical drug trial licensing documents, guidelines for filling in the registration platform, minutes of communication and exchange meetings, etc. If the reviewed information complies with the clinical drug trial approval information and filling guidelines and other relevant requirements, it shall be publicly disclosed.

Conduct of Clinical Trials

After obtaining approval for a clinical trial, the applicant shall conduct the clinical trial at qualified clinical trial institutions. Clinical trials must be conducted in accordance with the Good Clinical Practice (《藥物臨床試驗質量管理規範》) (effective on July 1, 2020) jointly promulgated by the NMPA and the NHC, which sets forth procedural requirements for conducting clinical trials, including pre-clinical preparation, trial protocols, protection of subjects’ rights and interests, responsibilities of investigators, sponsors and monitors, as well as data management and statistical analysis.

NDA, Approval and Renewal

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), upon completion of pharmaceutical studies, pharmacology and toxicology studies, clinical drug trials supporting marketing registration, establishment of quality standards, validation of commercial-scale manufacturing processes, and preparation for drug registration testing, the applicant shall submit an application for drug marketing authorization and provide the relevant research materials in accordance with submission requirements. The CDE shall organize pharmaceutical, medical and other technical experts to conduct a comprehensive review of the

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application materials relating to drug safety, efficacy and quality control. If the application passes the comprehensive review, the drug will be approved for marketing and a drug registration certificate will be issued.

Pursuant to the Announcement on Optimizing Matters Relating to Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》) jointly issued by the NMPA and the NHC in May 2018, the CDE shall prioritize the allocation of resources in various stages of review, inspection and approval for registration applications included within the scope of priority review and approval, so as to expedite the review and approval process.

Pursuant to the Drug Administration Law, the PRC implements a Marketing Authorization Holder (“MAH”) system for the administration of the pharmaceutical industry. A drug marketing authorization holder refers to an enterprise or drug research and development institution that has obtained a drug registration certificate. A drug marketing authorization holder shall be responsible for non-clinical laboratory studies, clinical trials, manufacturing and distribution, post-marketing studies, monitoring, reporting and handling of ADRs, and other matters relating to the drug. A drug marketing authorization holder may manufacture or distribute drugs by itself or entrust qualified third parties to do so. Pursuant to the Measures for the Administration of Drug Registration, when applying for drug marketing authorization, the applicant and the manufacturer must hold the corresponding drug manufacturing license.

According to the Measures for the Administration of Drug Registration, a drug registration certificate is valid for five years. During the validity period of the drug registration certificate, the drug marketing authorization holder shall continuously ensure the safety, efficacy and quality controllability of the marketed drug.

Collection, Gathering and Filing of Human Genetic Resources

Pursuant to the Service Guide for Administrative Licensing Matters Concerning the Collection, Gathering, Trading, Export and Exit of Human Genetic Resources (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) promulgated by the Ministry of Science and Technology in July 2015, where a foreign-invested sponsor collects or gathers human genetic resources through clinical trials, it shall complete the filing procedures with the Human Genetic Resource Administration of China through the online system. The Regulation of the People’s Republic of China on the Administration of Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》), as most recently amended by the State Council and effective on May 1, 2024, replaced the Interim Measures for the Administration of Human Genetic Resources (《人類遺傳資源管理暫行辦法》) and further regulate the collection, preservation, utilization and provision to foreign parties of human genetic resources in China. Foreign organizations, individuals and institutions established or actually controlled by them shall not collect or preserve Chinese human genetic resources within the territory of China, nor provide Chinese human genetic resources to overseas parties. The Biosecurity Law of the People’s Republic of China (《中華人民共和國生物安全法》) further provides that the health authority under the State Council shall be the competent authority responsible for the approval or filing of the use of Chinese human genetic resources.

Regulations Relating to Drug Manufacturing

Drug Manufacturing License

Pursuant to the Drug Administration Law of the People’s Republic of China and the Regulations for the Implementation of the Drug Administration Law of the People’s Republic of China, any entity engaging in drug manufacturing activities in the PRC shall obtain approval from the drug regulatory authority of the relevant province, autonomous region or municipality

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directly under the Central Government where it is located and obtain a drug manufacturing license. A drug manufacturing license shall specify its validity period and the scope of production. The validity period of a drug manufacturing license is five years, and the license holder shall apply for renewal six months prior to its expiration.

GMP

Drug manufacturers shall conduct manufacturing activities in accordance with the Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) (effective on March 1, 2011) promulgated by the Ministry of Health, which sets forth detailed standards and guidelines governing drug manufacturing, including organization and personnel, premises and facilities, equipment, qualification and validation, documentation management, production management, quality control and quality assurance, product distribution and recall, management of materials and products, retention of sales records, and management of customer complaints and AE reporting.

Pursuant to the Announcement on Matters Concerning the Implementation of the Drug Administration Law of the People’s Republic of China (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》) issued by the NMPA on November 29, 2019 and the Drug Administration Law, effective from December 1, 2019, certification for GMP and Good Supply Practice (“GSP”) has been cancelled, applications for GMP and GSP certification are no longer accepted, and GMP and GSP certificates for drugs are no longer issued. The legal representative and principal person in charge of a drug manufacturing enterprise shall be fully responsible for the drug manufacturing activities of the enterprise.

The Measures for the Administration of Drug Inspection (for Trial Implementation) (《藥品檢查管理辦法(試行)》) (revised on July 19, 2023) promulgated by the NMPA provide that for drug manufacturers applying for a drug manufacturing license for the first time, on-site inspections shall be conducted in accordance with the relevant requirements of GMP. For drug manufacturers applying for renewal of a drug manufacturing license, the relevant authorities shall, in light of the enterprise’s compliance with drug administration laws and regulations, implementation of GMP and operation of its quality system, conduct reviews based on risk management principles and may conduct GMP compliance inspections where necessary.

Drug Recall

Pursuant to the Administrative Measures for Drug Recalls (《藥品召回管理辦法》) promulgated by the NMPA (effective on November 1, 2022), a marketing authorization holder shall establish and improve its drug recall system by collecting drug safety-related information and conducting investigations and assessments of drugs that may pose safety risks. Where any drug with potential safety hazards that endanger human health or life safety is sold within the PRC, the drug manufacturer shall initiate drug recall procedures.

Regulations Relating to Medical Insurance Schemes

Medical Insurance Catalogue

Pursuant to the Interim Measures for the Administration of Drug Use under Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) (effective on September 1, 2020) promulgated by the NHSA, the scope of drugs covered by basic medical insurance is administered through the Basic Medical Insurance Drug Catalogue (《基本醫療保險藥品目錄》). The National Drug Catalogue for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》) (the “**Basic Medical Insurance Drug Catalogue**”, effective on January 1, 2024) promulgated by the NHSA and the Ministry of Human Resources and Social Security sets out the standards for payment of drug expenses by the basic medical insurance, work-related injury insurance and maternity insurance funds.

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Drugs included in the NRDL (《國家醫保藥品目錄》) are classified into two categories, namely Category A drugs and Category B drugs. Category A drugs are those that are clinically necessary, widely used, have definite curative effects and are relatively lower in price or treatment costs among drugs of the same category. Category B drugs are those available for clinical selection, have definite curative effects and are slightly higher in price or treatment costs than Category A drugs among drugs of the same category. According to the Interim Measures for the Administration of Drug Use under Basic Medical Insurance, patients purchasing Category A drugs are reimbursed in accordance with the basic medical insurance scheme. For Category B drugs, patients are required to first pay a certain proportion of the purchase price out-of-pocket and are then reimbursed in accordance with the basic medical insurance scheme.

National Essential Medicine List

On January 27, 2026, the NHC and ten other ministries and commissions jointly issued the Administrative Measures for the National Essential Medicine List (《國家基本藥物目錄管理辦法》). The State implements the essential drugs system and selects an appropriate number of essential drug varieties to meet the basic medication needs for disease prevention and treatment. Essential drugs refer to drugs that meet the basic medication needs for disease prevention and treatment, are suitable for the current stage of national conditions and support capacity, have appropriate dosage forms, reasonable prices, guaranteed supply and equitable accessibility. The State publishes the National Essential Medicine List and dynamically adjusts the list based on clinical application practices, changes in drug standards and the launch of new drugs. The selection and adjustment of essential drugs adhere to the principles of equal emphasis on traditional Chinese medicine and Western medicine, combined use of Chinese and Western medicines, and clinical priority, with reasonable reference to international experience. National essential drugs include chemical drugs and biological products, as well as traditional Chinese medicines (including prepared slices of Chinese medicinal materials and Chinese patent medicines).

Centralized Procurement of Drugs

On January 22, 2021, the General Office of the State Council promulgated the Opinions of the General Office of the State Council on Promoting the Normalized and Institutionalized Development of Centralized Volume-Based Drug Procurement (《國務院辦公廳關於推動藥品集中帶量採購工作常態化制度化開展的意見》), proposing to promote the normalization and institutionalization of centralized drug procurement. All public medical institutions (including military medical institutions, the same below) shall participate in centralized drug procurement. Designated private medical institutions and designated retail pharmacies covered by medical insurance shall implement the policy by reference in accordance with the requirements of designated agreements. In accordance with the principles of ensuring basic needs and clinical necessity, drugs with large usage volumes and high procurement amounts within the basic medical insurance drug catalogue shall be prioritized for inclusion in the procurement scope, gradually covering a variety of clinically necessary and reliable drugs, and striving to achieve comprehensive drug procurement coverage.

Drug Pricing Administration

Pursuant to the Opinions on Promoting Drug Price Reform (《推進藥品價格改革的意見》) jointly issued by the National Development and Reform Commission and other authorities on May 4, 2015, effective on June 1, 2015, government-set pricing for drugs has been abolished except for narcotic drugs and Category I psychotropic drugs. The prices of narcotic drugs and Category I psychotropic drugs remain subject to the administration of maximum ex-factory prices and maximum retail prices by the National Development and Reform Commission. Except for narcotic drugs and Category I psychotropic drugs, other drugs are no longer subject

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to government pricing. The notice aims to improve the drug procurement mechanism and give full play to the cost-control function of medical insurance, with actual transaction prices of drugs to be mainly determined by market competition.

Two-Invoice System

Pursuant to the Implementation Opinions on Promoting the “Two-Invoice System” in Drug Procurement by Public Medical Institutions (for Trial Implementation) (《關於在公立醫療機構藥品採購中推行「兩票制」的實施意見(試行)》) (the “**Two-Invoice System Notice**”) issued on December 26, 2016, the “two-invoice system” refers to a mechanism whereby a drug manufacturer issues one invoice to a drug distributor, and the distributor issues one invoice to the medical institution. According to the Two-Invoice System Notice and the Several Opinions of the General Office of the State Council on Further Reforming and Improving Policies on Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) issued on January 24, 2017, pilot provinces (autonomous regions and municipalities directly under the Central Government) for comprehensive medical reform and pilot cities for public hospital reform shall take the lead in implementing the two-invoice system.

Regulations Relating to Companies, Foreign Investment and Overseas Investment

Company Law

The establishment, operation and management of companies within the PRC are governed by the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “**Company Law**”), which was promulgated by the NPCSC on December 29, 1993, most recently amended on December 29, 2023 and became effective on July 1, 2024. The Company Law governs the establishment, operation, corporate structure and management of legal entities within the PRC. Pursuant to the Company Law, companies established in the PRC take the form of limited liability companies and companies limited by shares. Companies enjoy legal person status and possess their own assets. The Company Law also applies to foreign-invested enterprises.

Foreign Investment

Foreign investors’ investment activities in the PRC are primarily governed by the Catalogue of Industries for Encouraging Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraging Catalogue**”) and the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), promulgated and as amended from time to time by the Ministry of Commerce and the National Development and Reform Commission, together with the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) and its related implementation rules and ancillary regulations. Pursuant to the Measures for Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the National Development and Reform Commission and the Ministry of Commerce and effective on January 18, 2021, any foreign investment that affects or may affect national security shall be subject to security review in accordance with such measures. Before acquiring actual control over an enterprise in which they invest in important infrastructure, important transportation services and other important fields relating to national security, foreign investors or relevant parties within the PRC shall proactively declare to the working mechanism office.

Overseas Investment

Regulations of the Development and Reform Authorities on Overseas Investment by Domestic Enterprises

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Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission and effective on March 1, 2018, the State implements classified administration by approval and filing for investment projects whereby enterprises within the PRC (the “Investor”) directly or through enterprises under their control overseas acquire ownership, control, management rights or other related rights and interests overseas by investing assets or equity or providing financing or guarantees, including investment projects conducted in the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region.

Regulations of the Commerce Authorities on Overseas Investment by Domestic Enterprises

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the Ministry of Commerce and effective on October 6, 2014, where enterprises legally established within the PRC acquire ownership, control, management rights or other rights and interests in non-financial enterprises overseas through establishment, mergers and acquisitions or other means, such activities shall be subject to approval or filing administration by the Ministry of Commerce and provincial-level commerce authorities depending on the circumstances. Overseas investments involving countries not having diplomatic relations with the PRC, countries subject to United Nations sanctions, industries involving export of products and technologies restricted by the PRC, or industries affecting the interests of more than one country (region) are subject to approval administration; other overseas investments are subject to filing administration.

Regulations of the Foreign Exchange Authorities on Overseas Investment by Domestic Enterprises

Pursuant to the Notice on Further Simplifying and Improving the Foreign Exchange Administration Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the State Administration of Foreign Exchange and effective on June 1, 2015, the approval requirement for foreign exchange registration under overseas direct investment has been abolished. Instead, banks shall directly examine and handle foreign exchange registration for overseas direct investment in accordance with the notice and the appended Operating Guidelines for Foreign Exchange Business in Direct Investment (《直接投資外匯業務操作指引》), and the State Administration of Foreign Exchange and its branches shall conduct indirect supervision over foreign exchange registration for direct investment through banks. Pursuant to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) promulgated by the State Administration of Foreign Exchange and effective on May 6, 2024, before contributing capital overseas with lawful domestic or overseas assets or equity interests (including but not limited to currency, securities, intellectual property or technology, equity interests and creditor’s rights), domestic institutions (excluding domestic banks) shall apply to local banks for foreign exchange registration for overseas direct investment.

Regulations Relating to Work Safety and Fire Safety

Work Safety

Pursuant to the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》), as most recently amended by the NPCSC and effective on September 1, 2021, production and business entities shall establish and improve a responsibility system for work safety covering all personnel and formulate work safety rules and regulations, and shall meet the work safety conditions prescribed by laws and regulations and national or industry standards. Entities that do not meet work safety conditions shall not engage in production and business activities.

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Fire Safety

Pursuant to the Fire Protection Law of the People’s Republic of China (《中華人民共和國消防法》), as most recently amended by the NPCSC and effective on April 29, 2021, and the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), as most recently amended by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China and effective on October 30, 2023, the fire protection design and construction of construction projects shall comply with national technical standards for fire protection in engineering construction, and a system of fire protection design review and acceptance for construction projects shall be implemented.

Laws and Regulations Relating to Environmental Protection

General Provisions

Pursuant to the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), as most recently amended by the NPCSC and effective as of January 1, 2015, the State implements a pollutant discharge permit management system in accordance with the law. Enterprises, public institutions and other producers and operators subject to pollutant discharge permit administration shall discharge pollutants in accordance with the requirements of the pollutant discharge permits. No pollutants may be discharged without obtaining a pollutant discharge permit.

Laws and Regulations Relating to Environmental Impact Assessment of Construction Projects

Pursuant to the Law of the People’s Republic of China on Environmental Impact Appraisal (《中華人民共和國環境影響評價法》), as most recently amended by the NPCSC and effective as of December 29, 2018; the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), as most recently amended by the State Council and effective as of October 1, 2017; the Regulations on Classified Approval of Environmental Impact Assessment Documents for Construction Projects (《建設項目環境影響評價文件分級審批規定》), as most recently amended by the Ministry of Environmental Protection of the People’s Republic of China (subsequently renamed the Ministry of Ecology and Environment) and effective as of March 1, 2009; and the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated by the Ministry of Environmental Protection of the People’s Republic of China (subsequently renamed the Ministry of Ecology and Environment) and effective as of November 20, 2017, China implements an environmental impact assessment system for construction projects. A construction project that has not undergone an environmental impact assessment in accordance with the law shall not commence construction. Upon completion of a construction project for which an environmental impact report or environmental impact report form has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the environmental protection administrative department of the State Council, conduct acceptance inspection of the supporting environmental protection facilities constructed for such project and prepare an acceptance report. Such supporting environmental protection facilities may be put into production or use only after passing the acceptance inspection; those that have not undergone acceptance inspection or have failed to pass such inspection shall not be put into production or use. For construction projects implemented and put into production or use in phases, the corresponding environmental protection facilities shall be accepted in phases.

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Laws and Regulations Relating to Pollutant Discharge Permits

Pursuant to the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》), promulgated by the State Council and effective as of March 1, 2021; the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》), promulgated by the Ministry of Ecology and Environment and effective as of July 1, 2024; and the Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》), promulgated by the Ministry of Ecology and Environment and effective as of January 6, 2020, enterprises, public institutions and other producers and operators subject to pollutant discharge permit administration shall apply for and obtain pollutant discharge permits in accordance with the provisions of the regulations. No pollutants may be discharged without obtaining a pollutant discharge permit. Where the quantity of pollutants generated and discharged and the degree of environmental impact are minimal, and where enterprises, public institutions and other producers and operators are not required by law to apply for a pollutant discharge permit, a pollutant discharge registration form shall be completed.

Laws and Regulations Relating to Intellectual Property

Patent Rights

Pursuant to the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), as most recently amended by the NPCSC and effective as of June 1, 2021, and the Rules for the Implementation of the Patent Law of the People’s Republic of China (《中華人民共和國專利法實施細則》), as most recently amended by the State Council and effective as of January 20, 2024, patents are classified into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent right is 10 years, and the term of a design patent right is 15 years, each calculated from the date of application.

Copyright

Pursuant to the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), as most recently amended by the NPCSC and effective as of June 1, 2021, copyright includes moral rights such as the right of publication and the right of authorship, as well as property rights such as the right of reproduction and the right of distribution. The scope of copyright protection has been extended to cover online activities, products disseminated via the Internet and software products. Unless otherwise provided in the Copyright Law of the People’s Republic of China, any reproduction, distribution, performance, projection, broadcasting, compilation or communication to the public through information networks of a work without the permission of the copyright owner constitutes copyright infringement.

Trademark Rights

Pursuant to the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), as most recently amended by the NPCSC and effective as of November 1, 2019, and the Regulation for the Implementation of the Trademark Law of the People’s Republic of China (《中華人民共和國商標法實施條例》), as most recently amended by the State Council and effective as of May 1, 2014, in China, registered trademarks include commodity trademarks, service trademarks, collective trademarks and certification trademarks. The validity period of a registered trademark is 10 years, calculated from the date of approval of registration. Upon expiration of the validity period, if continued use is required, renewal procedures shall be completed in accordance with relevant provisions within 12 months prior to expiration. Each renewal registration is valid for 10 years, calculated from the day immediately following the expiration of the previous validity period of the trademark.

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Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), promulgated by the Ministry of Industry and Information Technology and effective as of November 1, 2017, and the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in the Provision of Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), promulgated by the Ministry of Industry and Information Technology and effective as of January 1, 2018, the Ministry of Industry and Information Technology exercises supervision and administration over domain name services nationwide. Domain names used by Internet information service providers in the provision of Internet information services shall be lawfully registered and owned by such providers in accordance with applicable laws and regulations. Domain name registration shall be handled through domain name service institutions established in accordance with relevant provisions. Upon successful registration, the applicant becomes the domain name holder.

Trade Secrets

Pursuant to the Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》), as most recently amended by the NPCSC and effective as of October 15, 2025, and the Provisions of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringements upon Trade Secrets (《最高人民法院關於審理侵犯商業秘密民事案件適用法律若干問題的規定》), promulgated by the Supreme People’s Court and effective as of September 12, 2020, trade secrets refer to technical information, business information and other commercial information that is not known to the public, has commercial value, and for which the rights holder has adopted corresponding confidentiality measures. Business operators shall not commit the following acts of infringing trade secrets: (1) obtaining a rights holder’s trade secrets by theft, bribery, fraud, coercion, electronic intrusion or other improper means; (2) disclosing, using or permitting others to use a rights holder’s trade secrets obtained by the means specified in the preceding item; (3) in violation of confidentiality obligations or the rights holder’s requirements for preserving trade secrets, disclosing, using or permitting others to use trade secrets in their possession; or (4) instigating, inducing or assisting others to violate confidentiality obligations or the rights holder’s requirements for preserving trade secrets, thereby obtaining, disclosing, using or permitting others to use the rights holder’s trade secrets.

Regulations on Anti-Money Laundering, Anti-Corruption, and Anti-Bribery

Anti-Money Laundering

According to the Anti-Money Laundering Law of the People’s Republic of China promulgated by the Standing Committee of the National People’s Congress, which shall come into effect on January 1, 2025, financial institutions shall establish and improve their internal control regulations on anti-money laundering in accordance with prevailing laws and regulations, and set up specialized agencies or designate internal departments to take the lead in the anti-money laundering work. Entities and individuals with business relationships with financial institutions shall cooperate with the customer due diligence conducted by financial institutions by providing genuine and valid identity documents or other forms of identification, filling in accurate and complete identity information, and truthfully providing information related to transactions and funds.

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Anti-Corruption

According to the Criminal Law of the People’s Republic of China, as most recently amended by the Standing Committee of the National People’s Congress on December 29, 2023, the crime of embezzlement refers to the act where employees of companies, enterprises, or other entities, taking advantage of their positions, illegally appropriate the properties of their entities for personal gain. Where the amount involved is relatively large, the offender shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention, and shall also be fined; where the amount is huge, the offender shall be sentenced to fixed-term imprisonment of not less than three years but not more than ten years, and shall also be fined; where the amount is exceptionally huge, the offender shall be sentenced to fixed-term imprisonment of not less than ten years or life imprisonment, and shall also be fined.

Anti-bribery

In accordance with the Anti-Unfair Competition Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress and revised and effective as of April 23, 2019, as well as the Interim Provisions on Prohibiting Commercial Bribery issued by the State Administration for Industry and Commerce on November 15, 1996, business operators shall not offer or promise to offer economic benefits (including cash, other properties, or in other forms) to transaction counterparts or third parties that may influence transactions, in order to induce them to obtain trading opportunities or competitive advantages for the business operators. Any business operator who violates the aforementioned provision on anti-bribery may be subject to administrative penalties or criminal prosecution depending on the severity of the circumstances.

According to the Provisions on the Establishment of a Commercial Bribery Blacklist in the Pharmaceutical Purchase and Sales Sector, promulgated by the National Health and Family Planning Commission (now the National Health Commission) and effective as of March 1, 2014, pharmaceutical production and operation enterprises and their agents involved in criminal, investigative, or administrative proceedings related to commercial bribery will be included in the commercial bribery blacklist by relevant government departments. As a result, within two years after the publication of the commercial bribery blacklist, (i) public medical institutions or medical and health institutions receiving government funds in the relevant provincial region shall not purchase their products, and (ii) public medical institutions or medical and health institutions receiving government funds in other provincial regions shall apply score deductions to such enterprises’ products in centralized bidding procedures. If such enterprises or their agents are included in the commercial bribery blacklist twice within five years, all public medical institutions or medical and health institutions receiving government funds nationwide shall not purchase their products within two years after the publication of the commercial bribery blacklist.

Pharmaceutical Advertisements

In accordance with the Interim Measures for the Examination and Administration of Advertisements for Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purposes, promulgated by the State Administration for Market Regulation and effective as of March 1, 2020, advertisements for drugs, medical devices, dietary supplements and formula foods for special medical purposes shall be truthful and lawful, and shall not contain any false or misleading content. A decision of approval shall be made, and an advertisement approval number shall be compiled and issued for the advertisements that have been examined and found to comply with laws, administrative regulations, and these measures.

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Regulations on Labor and Employment and Social Security

Labor Contracts

Employers shall establish and improve internal rules and regulations according to law to ensure that employees enjoy labor rights and fulfill their labor obligations in accordance with the Labor Law of the People’s Republic of China, as most recently amended by the Standing Committee of the National People’s Congress and effective as of December 29, 2018, and the Labor Contract Law of the People’s Republic of China, as most recently amended by the Standing Committee of the National People’s Congress and effective as of on July 1, 2013. Employers shall enter into written labor contracts with employees when establishing labor relationships. Employers shall not compel employees to work overtime. If overtime is arranged, employers shall pay overtime wages to employees in accordance with relevant state regulations. Employees’ labor remuneration shall not be lower than the local minimum wage standards. If employers fail to comply with the aforementioned laws and regulations, the administrative department for labor shall have the authority to impose measures such as warnings, orders for correction, fines, and suspension of business for rectification; where damage is caused to workers, the employer shall bear liability for compensation; if the relevant illegal act constitutes a crime, criminal liability shall also be pursued.

Social Insurance

Employers and individuals within the territory of the People’s Republic of China shall pay social insurance premiums in accordance with the law, including basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, and maternity insurance in accordance with the Social Insurance Law of the People’s Republic of China, which was newly revised by the Standing Committee of the National People’s Congress and effective as of December 29, 2018, as well as other relevant regulations. If employers fail to pay social insurance premiums in full and on time, the social insurance premium collection authority shall have the power to order them to make the payments or make up the shortfall within a specified period, and charge an overdue fine on a daily basis from the date the payment becomes overdue. If the employer still fails to pay within the prescribed time limit, the relevant administrative department shall impose a fine.

In accordance with the Interpretation of the Supreme People’s Court on Several Issues about the Application of Laws in the Trial of Labor Dispute Cases (II), promulgated by the Supreme People’s Court and effective as of September 1, 2025, if employers and employees agree or employees undertake to the employers that social insurance premiums are not required to be paid, the people’s court shall deem such agreement or undertaking invalid. Where employers fail to pay social insurance premiums according to law and employees request the termination of labor contracts and economic compensation from employers in accordance with relevant provisions of the Labor Contract Law, the people’s courts shall support such requests in accordance with the law. Under the circumstances specified in the preceding paragraph, if employers make up the social insurance premiums in accordance with the law and then request employees to return the compensation already paid for social insurance premiums, the people’s courts shall support such requests in accordance with the law.

Housing Provident Fund

In accordance with the Regulations on the Management of Housing Provident Fund, which were newly revised by the State Council and effective as of March 24, 2019, employers shall register with the competent housing provident fund management center and contribute to the housing provident fund for the employees they hire. If an employer delays or underpays the

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housing provident fund, the housing provident fund management center shall order it to make the payment within a specified period. If the employer still fails to pay within the time limit, the center may apply to the people’s court for compulsory enforcement.

Regulations on Taxation

Corporate Income Tax

Domestic enterprises established in accordance with the law within the territory of China are regarded as resident enterprises in accordance with the EIT, as most recently amended by the National People’s Congress and effective as of December 29, 2018, and the Implementation Regulations of the EIT, as most recently amended by the State Council and effective as of January 20, 2025. Resident enterprises shall pay corporate income tax at a rate of 25% on their income derived from within the territory of China. Small low-profit enterprises that meet the conditions shall be subject to corporate income tax at a reduced rate of 20%. High and new technology enterprises that need key support from the state shall be subject to corporate income tax at a reduced rate of 15%.

Value-Added Tax

In accordance with the Value-Added Tax Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress and effective as of January 1, 2026, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, real estate, and import goods within the territory of China are regarded as value-added tax payers and shall pay value-added tax in accordance with said Law. The term “selling goods, services, intangible assets, and real estate” refers to the transfer of ownership of goods and real estate for consideration, the provision of services, and the transfer of ownership or the right to use intangible assets. The value-added tax rates are set at 13%, 9%, 6%, and 0%, depending on the nature of the transactions. The tax rate applicable under the simplified tax calculation method is 3%.

Regulations on Cybersecurity and Data Protection

Regulations Related to Cybersecurity

The State implements a cybersecurity multi-level protection system, and network operators shall comply with legal and regulatory provisions as well as mandatory requirements of national and industry standards, formulate internal security management systems, and take technical measures and other necessary measures to protect cybersecurity and stable operation in accordance with the Cybersecurity Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress and effective as of January 1, 2026. Personal information and important data collected and generated by critical information infrastructure during its operation shall be stored within the territory of China. Where it is truly necessary to provide such information and data outside China due to business needs, a security assessment shall be conducted in accordance with the requirements of the relevant authorities.

The State establishes a data classification and gradation protection system in accordance with the Data Security Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress and effective as of September 1, 2021. Data security protection obligations shall be fulfilled on the basis of the cybersecurity multi-level protection system when data processing activities are conducted through information networks

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such as the Internet. Important data processors shall regularly conduct risk assessments of their data processing activities in accordance with regulations and submit risk assessment reports to the relevant competent authorities.

Regulations Related to Data Protection

In accordance with the Measures for the Security Assessment of Outbound Data Transfer, promulgated by the Office of the Central Cyberspace Affairs Commission on July 7, 2022, and effective as of September 1, 2022, where a data processor provides data to overseas recipients, it shall declare a security assessment for data export to the national cyberspace administration through the provincial-level cyberspace administration in its locality under any of the following circumstances: (1) Data processors provide important data to overseas recipients; (2) critical information infrastructure operators or data processors processing personal information of more than 1 million individuals provides personal information to overseas recipients; (3) Data processors that have provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals cumulatively to overseas recipients since January 1 of the previous year provide personal information to overseas recipients; (4) Other circumstances stipulated by the national cyberspace administration under which a security assessment for data export is required to be declared.

In accordance with the Personal Information Protection Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress and effective as of November 1, 2021, personal information refers to various types of information recorded electronically or by other means that is related to identified or identifiable natural persons, excluding information that has been anonymized. The personal information of natural persons is protected by law, and no organization or individual may infringe upon the personal information rights and interests of natural persons. Personal information shall be processed following the principles of legality, legitimacy, necessity, and good faith, with a clear and reasonable purpose, directly related to the processing purpose, in a manner that has the least impact on personal rights and interests, and limited to the minimum scope necessary to achieve the processing purpose.

Before providing personal information to overseas recipients, personal information processors shall conduct a personal information protection impact assessment in accordance with the Measures for Standard Contract for Cross-border Transfer of Personal Information, promulgated by the Office of the Central Cyberspace Affairs Commission and effective as of June 1, 2023. Personal information processors that provide personal information to overseas recipients by entering into standard contracts shall simultaneously meet the following conditions: (1) They are not operators of critical information infrastructures; (2) They process the personal information of less than 1 million individuals; (3) They have cumulatively provided the personal information of less than 100,000 individuals to overseas recipients since January 1 of the previous year; (4) They have cumulatively provided the sensitive personal information of less than 10,000 individuals to overseas recipients since January 1 of the previous year. If laws, administrative regulations, or the national cyberspace administration stipulates otherwise, those provisions shall prevail. Personal information processors shall not provide personal information that shall legally undergo exit security assessment to overseas recipients by concluding standard contracts through means such as quantity splitting. Violations of the provisions of the Measures for Standard Contract for Cross-border Transfer of Personal Information shall be dealt with in accordance with laws and regulations such as the Personal Information Protection Law of the People’s Republic of China.

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Regulations on Overseas Securities Offering and Listing by Domestic Enterprises

Domestic enterprises engaging in overseas issuance and listing activities shall strictly comply with national security laws, administrative regulations, and relevant provisions concerning foreign investment, cybersecurity, and data security in accordance with the Provisional Measures on the Administration of Securities Issuance and Listing by Domestic Enterprises in Overseas Markets (the “**Overseas Listing Measures**”) promulgated by the China Securities Regulatory Commission (the “**CSRC**”) (effective on March 31, 2023) and its supporting guidelines. Where security reviews are required, relevant security review procedures shall be completed in accordance with the law before the submission of listing applications to overseas securities regulatory authorities or trading venues. The Overseas Listing Measures stipulate that a domestic enterprise shall not be allowed to issue and list overseas under any of the following circumstances: (1) Where laws, administrative regulations, or relevant national provisions explicitly prohibit listing for financing purposes; (2) Where, upon review by the relevant competent departments of the State Council, it is determined that overseas issuance and listing may endanger national security; (3) Where the domestic enterprise, its controlling shareholder, or its actual controller has been subject to criminal penalties for embezzlement, bribery, misappropriation of property, diversion of property, or crimes disrupting the socialist market economic order within the past three years; (4) Where the domestic enterprise is under investigation for suspected criminal activities or major violations of laws and regulations, and no definitive conclusion has yet been reached; (5) Where there exists a material ownership dispute over the equity held by the controlling shareholder or by shareholders controlled by the controlling shareholder or actual controller.

According to the Provisions on Strengthening the Administration of Confidentiality and Archives Work Related to Overseas Securities Offering and Listing by Domestic Enterprises, jointly promulgated by the CSRC and other relevant government departments (effective on March 31, 2023), where a domestic enterprise provides or publicly discloses documents or information involving state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities and individuals, or does so through its overseas listing entity, it shall obtain approval from the competent authorities with approval authority in accordance with the law and file a record with the confidentiality administrative department at the same level.

The People’s Bank of China, State Administration of Foreign Exchange and their branches shall supervise, manage, and inspect the business registration, account opening and use, cross-border receipts and payments, and fund remittance and exchange related to the overseas listing of domestic enterprises according to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Related to Overseas Listings of Domestic Enterprises (which shall come into effect on April 1, 2026). Domestic enterprises seeking overseas listing shall, within 30 working days from the first trading day of overseas listing or the completion of the over-allotment option, apply for overseas listing registration at a bank within the provincial-level regions or cities with independent planning status where they are registered.

“Full Circulation” refers to the listing and circulation on the “HKEX” of the unlisted domestic shares of H-share companies (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued domestically after overseas listing, and unlisted shares held by foreign shareholders). According to the Guidelines for the Business of Unlisted Domestic Shares of H-share Companies Applying for Full Circulation issued by the CSRC (revised on August 10, 2023), provided that relevant laws,

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regulations, and policies concerning state-owned asset management, foreign investment, and industry supervision are met, unlisted domestic shareholders may autonomously negotiate and determine the number and proportion of shares to be applied for circulation and entrust the corresponding H-share company to file with the CSRC. Unlisted domestic joint-stock limited companies may simultaneously file for “Full Circulation” with the CSRC during their initial overseas public offering and listing.

LAWS AND REGULATIONS IN THE UNITED STATES AND EUROPEAN UNION (“EU”)

This section summarizes certain principal laws and regulations in the United States and EU that may be relevant to our business, in particular, the registration classification, approval pathway, and chemistry, manufacturing and controls (“CMC”) requirements of our Natural Medicines candidates.

U.S. Regulation of Botanical Drugs

In the United States, botanical drugs are regulated by the U.S. FDA under the Federal Food, Drug, and Cosmetic Act and applicable regulations. In December 2016, the FDA issued the guidance Botanical Drug Development: Guidance for Industry (the “**Botanical Drug Guidance**”), which provides regulatory considerations for the development of botanical drug products. Under the Botanical Drug Guidance, a botanical drug generally refers to a product that contains botanical ingredients such as plant materials, algae, or macroscopic fungi, and is not highly purified, such that the drug substance is typically a natural mixture consisting of multiple active constituents, rather than a single compound.

Depending on intended use and safety profile, a botanical drug may be marketed either as a (i) non-prescription (over-the-counter, “**OTC**”) drugs or (ii) prescription drugs. OTC botanical drugs are regulated under the OTC monograph system if the active components and conditions of use are considered “generally recognized as safe and effective.” Botanical drugs that do not qualify under an OTC monograph are generally regulated as prescription drugs and are subject to the new drug approval process.

Classification of Our Natural Medicines Candidates under the U.S. Regulatory Framework

Under the FDA framework, plant-derived TCMs and Natural Medicines may fall within the scope of botanical drugs as defined in the Botanical Drug Guidance. Our Natural Medicine candidates, including WH007 and WH006, are plant-derived products consisting of multiple naturally occurring active components. Based on their composition and intended therapeutic uses, and taking into account that they are not among the limited botanical substances included in any OTC monograph, WH007 and WH006 would be expected to be regulated as prescription botanical drugs under the FDA regulatory framework, subject to the FDA’s review and determination on a product-specific basis.

U.S. Regulatory Pathway and CMC requirements for Prescription Botanical Drugs

Prescription botanical drugs are generally subject to the same regulatory pathway applicable to other new drugs. Sponsors are typically required to submit an IND prior to initiating clinical trials in the United States, and to conduct adequate and controlled clinical trials (Phase I, Phase II and Phase III) to establish safety and effectiveness. Upon completion of the required trials and studies, marketing generally requires submission and FDA approval of an NDA and manufacturing must comply with current good manufacturing practice (“**cGMP**”) requirements.

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In addition to non-clinical and clinical data, sponsors are required to provide comprehensive CMC information. For botanical drugs, CMC requirements generally include, among others, (i) control of raw botanical materials (identity and quality), (ii) detailed descriptions and control of manufacturing processes, (iii) identification and characterization of key chemical constituents, (iv) validated analytical methods (qualitative and quantitative) for relevant constituents, (v) specifications and impurity testing (for example, heavy metals and residual solvents, where relevant), (vi) evidence of batch-to-batch consistency.

EU Regulatory Framework for Herbal Medicinal Products

In the EU, herbal medicinal products are regulated under Directive 2004/24/EC and related legislation. Depending on their characteristics and historical use, herbal products may follow either (i) the traditional use registration, which is intended for products with a long tradition of medical use (generally at least 30 years, including 15 years in the EU, among other eligibility criteria), or (ii) a full marketing authorization application, which requires a complete dossier demonstrating quality, safety and efficacy. Herbal products that do not meet the requirements for traditional use registration are generally required to follow the full marketing authorization pathway.

Classification of Our Natural Medicines under the EU Regulatory Framework

Our Natural Medicine candidates, including WH007 and WH006, are plant-derived products that do not have a documented history of medicinal use within the EU that would typically be required for traditional use registration. Accordingly, they would generally be expected to follow the full marketing authorization application under the EU regulatory framework, subject to the assessment and determination of the competent regulatory authorities.

EU Regulatory Pathway and CMC Requirements

Under the full marketing authorization applications, applicants are generally required to submit a complete Common Technical Document (“CTD”), including Module three (Quality), Module four (Preclinical Study Reports) and Module five (Clinical Trial Reports), to demonstrate the quality, safety and efficacy of the product. With respect to CMC requirements, herbal preparations in the EU are commonly categorized as standardized extracts, quantified extracts or other herbal preparations, depending on the degree of characterization of their active components. Standardized extracts generally refer to preparations in which the content of certain constituents contributing to therapeutic activity is adjusted within a defined range to ensure consistency. Natural Medicines would generally be classified as standardized extracts for regulatory purposes. Applicants are typically required to provide (i) detailed descriptions of manufacturing processes, (ii) identification and characterization of key components, (iii) validated analytical methods, (iv) specifications and quality standards, and (v) evidence of batch-to-batch consistency.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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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. Since the establishment of our Company in 2010, we have developed one commercialized product, and eight pipeline candidates, which demonstrate strong R&D capabilities and well proven potential of our Company.

BUSINESS MILESTONES

The following is a summary of our key business development milestones.

Year	Event
2010	We were established in the PRC as a limited liability company.
2013	We completed the phase II clinical trial of WH001. WH001 project received sponsorship from the National Twelfth Five-Year Major Project.
2014	We initiated the phase III clinical trial of WH001.
2015	We were approved to establish and operate a “Postdoctoral Research Workstation.” We completed the phase III clinical trial of WH001.
2016	We established the world’s first fully automated production line for the extraction and separation of trace water-soluble active components from natural plants.
2017	We submitted the NDA for <i>Sangbo’en</i> .
2020	We completed the NDA for both SZ-A APIs and <i>Sangbo’en</i> . <i>Sangbo’en</i> was included in the NRDL.
2021	<i>Sangbo’en</i> was awarded China’s 2020 Important Medical Advancement.
2022	WH002 was awarded the 2022 Beijing Science and Technology Progress Second Prize and the Chinese Pharmaceutical Association Science and Technology Second Prize.
2023	We obtained the IND approval for WH006 on obesity indication. We completed the phase I clinical trial of WH002.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
2024	We completed the phase I clinical trial of WH006. <i>Sangbo'en</i> was incorporated into the National Natural Science Foundation’s “14th Five-Year Plan” medical discipline development strategy report.
2025	We completed the phase II clinical trial of WH002. We initiated the phase II clinical trial of WH006. <i>Sangbo'en</i> was admitted in the <i>Guidelines for the Prevention and Treatment of Diabetes Mellitus in China (2024 edition)</i> and <i>National Guidelines for the Prevention and Control of Diabetes in Primary Care (2025)</i>. <i>Sangbo'en</i> was awarded the Second Prize of Medical Science and Technology Award by the Chinese Medical Association. We submitted the marketing application for mulberry twig alkaloid tablets in Macau and received the acceptance notice.

OUR SUBSIDIARIES

The following sets out particulars of our subsidiaries as of the Latest Practicable Date.

Name of subsidiary	Place of establishment	Date of establishment	Equity interest attributable to our Group	Principal business activities
Guangxi Wehand-Bio	PRC	August 20, 2014	100%	Pharmaceutical technology development, plant extraction, and production operations
Wehand Dacheng	PRC	December 20, 2023	100%	Medical research and experimental development
Macau Wehand-Bio	Macau	April 16, 2025	100%	Research, development, production, and sales of pharmaceuticals and health products
Zhejiang Wehand-Bio	PRC	November 12, 2024	100%	Technology development and marketing

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(1) Our Establishment and Early Development

On May 7, 2010, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB20,000,000. The shareholding structure of our Company upon establishment is set forth in the table below:

Shareholders	Registered capital subscribed for (RMB)	Percentage of shareholding (%)
Ms. HUANG Jun ⁽¹⁾ (黃君)	10,400,000	52.00
Mr. YU Xiecai (余協財)	4,800,000	24.00
Mr. HU Dingfei (胡定飛)	4,800,000	24.00
Total	20,000,000	100.00

Note:

- (1) Ms. HUANG Jun is the daughter of Mr. HUANG Yuesheng, our executive Director and the chairperson of the Board. In June 2011, Ms. HUANG Jun transferred her then entire equity interests in our Company to Mr. HUANG Yuesheng at nil consideration, as the transfer was an intrafamily arrangement.

From June 2011 to October 2014, our Company underwent several rounds of capital increases. Upon completion, the registered capital of our Company was increased to RMB80,000,000, which was held as follows:

Shareholders	Registered capital subscribed for (RMB)	Percentage of shareholding (%)
Mr. HUANG Yuesheng	41,600,000	52.00
Mr. YU Xiecai	19,200,000	24.00
Mr. HU Dingfei	19,200,000	24.00
Total	80,000,000	100.00

(2) Series Angel Financing in November 2014

In October 2014, our Company and our then Shareholders entered into an investment agreement with Ningbo Langsheng No.2 Equity Investment Partnership Enterprise L.P.* (寧波朗盛二號股權投資合夥企業(有限合夥)) (“**Langsheng No.2**”), pursuant to which Langsheng No.2 subscribed for an increased registered capital of our Company in the amount of RMB3,779,547 at a consideration of RMB30,000,000 (the “**Series Angel Financing**”). Upon its completion in November 2014, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for (RMB)	Percentage of shareholding (%)
Mr. HUANG Yuesheng	41,600,000	49.65
Mr. YU Xiecai	19,200,000	22.92
Mr. HU Dingfei	19,200,000	22.92
Langsheng No.2	3,779,547	4.51
Total	83,779,547	100.00

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(3) Series A Financing in September 2015

In June 2015, our Company and our then Shareholders entered into an investment agreement with Beijing Longpan Biopharmaceuticals Venture Capital Center L.P. (北京龍磐生物醫藥創業投資中心(有限合夥)) (“**Beijing Longpan**”), Ningbo Langsheng Baihui Investment Partnership Enterprise L.P.* (寧波朗盛百匯投資合夥企業(有限合夥)) (“**Langsheng Baihui**”), together with Langsheng No. 2, the “**Langsheng Investors**”), Mr. Chen Senjie (陳森潔), Hangzhou Nanhai Growth Investment Partnership Enterprise L.P.* (杭州南海成長投資合夥企業(有限合夥)) (“**Hangzhou Nanhai**”), Suzhou Northern Light Zhengyuan Venture Capital Partnership Enterprise L.P.* (蘇州北極光正源創業投資合夥企業(有限合夥)) (“**NLVC Zhengyuan**”) and Shanghai Cowin Shared Venture Capital Partnership Enterprise L.P.* (上海同創偉業共享創業投資合夥企業(有限合夥)) (“**Shanghai Cowin**”), pursuant to which the abovementioned investors subscribed for an increased registered capital of our Company in the amount of RMB16,755,909 at a consideration of RMB230,000,000 (the “**Series A Financing**”) as detailed below:

Investors	Registered capital subscribed for (RMB)	Considerations (RMB)
Beijing Longpan	4,371,107	60,000,000
Langsheng Baihui	3,642,589	50,000,000
Mr. Chen Senjie	2,914,071	40,000,000
Hangzhou Nanhai	2,549,812	35,000,000
NLVC Zhengyuan	2,185,553	30,000,000
Shanghai Cowin	1,092,777	15,000,000
Total	16,755,909	230,000,000

Upon completion of the Series A Financing in September 2015, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for (RMB)	Percentage of shareholding (%)
Mr. HUANG Yuesheng	41,600,000	41.38
Mr. YU Xiecai	19,200,000	19.10
Mr. HU Dingfei	19,200,000	19.10
Langsheng Investors	7,422,136	7.38
— <i>Langsheng No.2</i>	3,779,547	3.76
— <i>Langsheng Baihui</i>	3,642,589	3.62
Beijing Longpan	4,371,107	4.35
Cowin Investors	3,642,589	3.63
— <i>Hangzhou Nanhai</i>	2,549,812	2.54
— <i>Shanghai Cowin</i>	1,092,777	1.09
Mr. Chen Senjie	2,914,071	2.90
NLVC Zhengyuan	2,185,553	2.17
Total	100,535,456	100.00

(4) Equity Transfers as Adjustments to Our Shareholding Structure and Share Incentive in 2020

On January 19, 2020, Wehand Tongyuan No.1 was established as a limited partnership under the laws of the PRC as our Share Incentive Platform. In July 2020, Mr. HUANG Yuesheng, Mr. YU Xiecai, Mr. HU Dingfei and Langsheng No.2 transferred registered capital

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

of our Company in the amounts of RMB2,496,000, RMB1,152,000, RMB1,152,000 and RMB226,773, respectively, to Wehand Tongyuan No.1 at a transfer price of RMB1 per unit of registered capital.

On August 11 and August 26, 2020, Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei established Jiujiang Ruihe and Shouguang Ruishenghe Social Economy Consulting Partnership Enterprise L.P.* (壽光瑞盛和社會經濟諮詢合夥企業(有限合夥)) (“**Shouguang Ruishenghe**”), respectively, each a limited partnership under the laws of the PRC and an intermediary shareholding platform of Mr. HUANG, Mr. YU and Mr. HU. In October 2020, Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei (i) transferred registered capital of our Company in the amounts of RMB15,080,318.4, RMB5,026,772.8 and RMB5,026,772.8, respectively, to Jiujiang Ruihe, and (ii) transferred registered capital of our Company in the amounts of RMB2,613,921.86, RMB1,206,425.47 and RMB1,206,425.47, respectively, to Shouguang Ruishenghe.

On November 16, 2020, Jiujiang Ruida was established as a limited partnership under the laws of the PRC. In December 2020, Shouguang Ruishenghe transferred registered capital of our Company in the amount of RMB5,026,773 to Jiujiang Ruida at a transfer price of RMB1 per unit of registered capital. On November 20, 2020, Jiujiang Ruijin was established as a limited partnership under the laws of the PRC as our Share Incentive Platform. In December 2020, Jiujiang Ruihe transferred registered capital of our Company in the amount of RMB5,529,450 to Jiujiang Ruijin at a transfer price of RMB1.8 per unit of registered capital.

Upon completion of the above equity transfers in 2020, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for (RMB)	Percentage of shareholding (%)
Mr. HUANG Yuesheng	21,409,759	21.30
Jiujiang Ruihe ⁽¹⁾	19,604,414	19.50
Mr. YU Xiecai	11,814,802	11.75
Mr. HU Dingfei	11,814,802	11.75
Langsheng Investors	7,195,363	7.16
— <i>Langsheng Baihui</i>	3,642,589	3.62
— <i>Langsheng No.2</i>	3,552,774	3.53
Jiujiang Ruijin ⁽²⁾	5,529,450	5.50
Jiujiang Ruida ⁽³⁾	5,026,773	5.00
Wehand Tongyuan No.1 ⁽⁴⁾	5,026,773	5.00
Beijing Longpan	4,371,107	4.35
Cowin Investors	3,642,589	3.62
— <i>Hangzhou Nanhai</i>	2,549,812	2.54
— <i>Shanghai Cowin</i>	1,092,777	1.09
Mr. Chen Senjie	2,914,071	2.90
NLVC Investors ⁽⁵⁾	2,185,553	2.17
— <i>NLVC Zhengyuan</i>	1,391,153	1.38
— <i>NLVA Hongyuan</i>	794,400	0.79
Total	100,535,456	100.00

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Notes:

- (1) Jiujiang Ruihe is one of our Controlling Shareholders and an intermediary shareholding platform of Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei which was held by them as to 60%, 20% and 20%, respectively, as of the Latest Practicable Date, with Mr. HUANG Yuesheng as its general partner.
- (2) For details of Jiujiang Ruijin, please see “Share Incentive Platforms” below in this section.
- (3) Jiujiang Ruida is a limited partnership established in the PRC and one of our Controlling Shareholders. The general partner of Jiujiang Ruida is Mr. HUANG Yuesheng, holding approximately 23.12% partnership interests therein. Jiujiang Ruida has ten limited partners, among which, (i) Mr. YU Xiecai, holding approximately 12.48% partnership interests therein; (ii) Mr. HU Dingfei, holding approximately 9.76% partnership interests therein; (iii) Mr. YU Gongsuo (余恭鎖), the nephew of Mr. YU Xiecai, holding approximately 2.73% partnership interests therein; and (iv) other seven limited partners, which are all Independent Third Parties.
- (4) For details of Wehand Tongyuan No.1, please see “Share Incentive Platforms” below in this section.
- (5) In August 2016, NLVC Zhengyuan transferred registered capital of our Company in the amount of RMB794,400 to NLVC Hongyuan at a consideration of RMB10,904,332.65, which was determined after arms’ length negotiations among the parties and considering the price per registered capital derived from the Company’s valuation assessment. The equity transfer was completed in January 2017.

(5) Series A + Financing and Equity Transfers in January 2021

In December 2020, our Company and our then Shareholders entered into an investment agreement with Hangzhou Dingtou Enterprise Management Partnership Enterprise L.P.* (杭州鼎投企業管理合夥企業(有限合夥)) (“**Hangzhou Dingtou**”), Ningbo Gaoling Equity Investment Partnership Enterprise L.P.* (寧波高靈股權投資合夥企業(有限合夥)) (“**Ningbo Gaoling**”), Qingdao Tianzi Wuhe Investment Partnership Enterprise L.P.* (青島天自五和投資合夥企業(有限合夥)) (“**Tianzi Wuhe**”), Cathaya Holdings Co., Ltd.* (凱喜雅控股有限公司) (“**Cathaya Holding**”) and Jiaxing Hefeng Equity Investment Partnership Enterprise L.P.* (嘉興翺豐股權投資合夥企業(有限合夥)) (“**Jiaxing Hefeng**”), pursuant to which the abovementioned investors subscribed for an increased registered capital of our Company in the amount of RMB12,243,782 at a consideration of RMB341,000,000 (the “**Series A + Financing**”) as detailed below:

Investors	Registered capital subscribed for (RMB)	Considerations (RMB)
Hangzhou Dingtou	3,949,607	110,000,000
Ningbo Gaoling	3,590,552	100,000,000
Tianzi Wuhe	1,831,181	51,000,000
Cathaya Holding	1,795,276	50,000,000
Jiaxing Hefeng ⁽¹⁾	1,077,166	30,000,000
Total	12,243,782	341,000,000

Note:

- (1) Jiaxing Hefeng is a limited partnership established under the laws of PRC on October 13, 2020. As of the Latest Practicable Date, Jiaxing Hefeng is an Independent Third Party.

Before completion of the Series A + Financing, our then existing Shareholders entered into several equity transfer agreements as approved by our shareholders’ meeting in January 2021, pursuant to which (i) Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei transferred registered capital of our Company in the amounts of RMB760,351, RMB675,869 and RMB675,869, respectively, to Ningbo Gaoling at a transfer price of RMB23.67 per unit of registered capital, which was determined after arms’ length negotiations among the parties and considering the price per registered capital derived from the Company’s valuation assessment,

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(ii) Langsheng No.2 transferred registered capital of our Company in the amount of RMB359,055 to Fuzhou High-tech Zone Tianjuzhuo Investment Partnership Enterprise L.P. (福州高新區天巨卓投資合夥企業(有限合夥)) (“**Tianjuzhuo Investment**”) at a transfer price of RMB27.85 per unit of registered capital, which was determined after arms’ length negotiations among the parties and considering the price per registered capital derived from the Company’s valuation assessment, and (iii) Wuhand Tongyuan No. 1 transferred registered capital of our Company in the amount of RMB2,010,709 and RMB1,005,355 to Wuhand Tongyuan No. 2 and Wehand Tongyuan No. 3, respectively, at a transfer price of RMB1 per unit of registered capital.

Upon completion of the Series A+ Financing and the above equity transfers, both in January 2021, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for (RMB)	Percentage of shareholding (%)
Mr. HUANG Yuesheng	20,649,408	18.31
Jiujiang Ruihe	19,604,414	17.38
Mr. YU Xiecai	11,138,933	9.88
Mr. HU Dingfei	11,138,933	9.88
Langsheng Investors	6,836,308	6.06
— <i>Langsheng Baihui</i>	3,642,589	3.23
— <i>Langsheng No.2</i>	3,193,719	2.83
Ningbo Gaoling	5,702,641	5.06
Jiujiang Ruijin	5,529,450	4.90
Jiujiang Ruida	5,026,773	4.46
Beijing Longpan	4,371,107	3.88
Hangzhou Dingtou	3,949,607	3.50
Cowin Investors	3,642,589	3.23
— <i>Hangzhou Nanhai</i>	2,549,812	2.26
— <i>Shanghai Cowin</i>	1,092,777	0.97
Mr. Chen Senjie	2,914,071	2.58
NLVC Investors	2,185,553	1.94
— <i>NLVC Zhengyuan</i>	1,391,153	1.23
— <i>NLVA Hongyuan</i>	794,400	0.70
Wehand Tongyuan No.1	2,010,709	1.78
Wehand Tongyuan No.2 ⁽¹⁾	2,010,709	1.78
Tianzi Wuhe	1,831,181	1.62
Cathaya Holding	1,795,276	1.59
Jiaxing Hefeng	1,077,166	0.96
Wehand Tongyuan No.3 ⁽²⁾	1,005,355	0.89
Tianjuzhuo Investment	359,055	0.32
Total	112,779,238	100.00

Notes:

- (1) For details of Wehand Tongyuan No.2, please see “Share Incentive Platforms” below in this section.
- (2) Wehand Tongyuan No.3 is one of our Controlling Shareholders and a limited partnership established under the laws of PRC on January 20, 2021, and an intermediary shareholding platform of Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei who held 52% (as its general partner), 24% and 24% (as its limited partners), respectively, as of the Latest Practicable Date.

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(6) Conversion into a Joint Stock Company

On March 30, 2021, we were converted into a joint stock company with limited liabilities with 112,779,238 Shares in a nominal value of RMB1.00 each and the company name changed to “Beijing Wehand-Bio Pharmaceutical Co., Ltd. (北京五和博澳藥業股份有限公司).”

(7) Series B Financing in March 2023

In December 2022, our Company and our then Shareholders entered into an investment agreement with Qingdao Tianzi Bo’ao Venture Capital Partnership Enterprise L.P.* (青島天自博澳創業投資基金合夥企業(有限合夥)) (“**Tianzi Bo’ao**”), pursuant to which Tianzi Bo’ao subscribed for 1,611,132 Shares newly issued by our Company at a consideration of RMB50,000,000 (the “**Series B Financing**”). Upon its completion in March 2023, the shareholding structure of our Company was as follows:

Shareholders	Shares	Percentage of shareholding (%)
Mr. HUANG Yuesheng	20,649,408	18.05
Jiujiang Ruihe	19,604,414	17.14
Mr. HU Dingfei	10,864,753	9.50
Mr. YU Xiecai	10,727,663	9.38
Langsheng Investors	6,836,308	5.98
— <i>Langsheng Baihui</i>	3,642,589	3.18
— <i>Langsheng No.2</i>	3,193,719	2.79
Ningbo Gaoling	5,702,641	4.99
Jiujiang Ruijin	5,529,450	4.83
Jiujiang Ruida	5,026,773	4.39
Beijing Longpan	4,371,107	3.82
Hangzhou Dingtou	3,949,607	3.45
Cowin Investors	3,642,589	3.18
— <i>Hangzhou Nanhai</i>	2,549,812	2.23
— <i>Shanghai Cowin</i>	1,092,777	0.96
Tianzi Investors	3,442,313	3.01
— <i>Tianzi Wuhe</i>	1,831,181	1.60
— <i>Tianzi Bo’ao</i>	1,611,132	1.41
Mr. Chen Senjie	2,914,071	2.55
NLVC Investors	2,185,553	1.91
— <i>NLVC Zhengyuan</i>	1,391,153	1.22
— <i>NLVA Hongyuan</i>	794,400	0.69
Wehand Tongyuan No.1	2,010,709	1.76
Wehand Tongyuan No.2	2,010,709	1.76
Cathaya Holding	1,795,276	1.57
Jiaxing Hefeng	1,077,166	0.94
Wehand Tongyuan No.3	1,005,355	0.88
Ms. YU Heqing (俞荷青) ⁽¹⁾	456,963	0.40
Tianjuzhuo Investment	359,055	0.31
Ms. SONG Zhuqin (宋珠琴) ⁽²⁾	228,487	0.20
Total	114,390,370	100.00

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Notes:

- (1) In August 2022, Mr. YU Xiecai and Mr. HU Dingfei transferred 182,783 and 274,180 Shares, respectively, to Ms. YU Heqing at considerations of RMB4,000,000 and RMB6,000,000. To the best of our knowledge, Ms. YU Heqing is an Independent Third Party.
- (2) In August 2022, Mr. YU Xiecai transferred 228,487 Shares to Ms. SONG Zhuqin at a consideration of RMB5,000,000. To the best of our knowledge, Ms. SONG Zhuqin is an Independent Third Party.

(8) Series B + 1 Financing and Shares Transfer in October 2023

In June 2023, our Company and our then Shareholders entered into an investment agreement with Hangzhou Dingyou Enterprise Management Partnership Enterprise L.P.* (杭州鼎祐企業管理合夥企業(有限合夥)) (“**Hangzhou Dingyou**”) and Yuncheng Qingke Industry Investment Fund Partnership Enterprise L.P.* (鄆城清科產業投資基金合夥企業(有限合夥)) (“**Qingke Industry Investment**”). Later in September 2023, our Company and our then Shareholders entered into another investment agreement with Yantai Tianzi Wubo Venture Capital Fund Partnership Enterprise L.P.* (煙臺天自五博創業投資基金合夥企業(有限合夥)) (“**Tianzi Wubo**”). Pursuant to the above investment agreements, the abovementioned investors subscribed for 5,020,465 new Shares at a consideration of RMB158,000,000 (the “**Series B + 1 Financing**”) as detailed below:

Investors	Shares	Considerations (RMB)
Hangzhou Dingyou	1,906,505	60,000,000
Tianzi Wubo	1,684,080	53,000,000
Qingke Industry Investment	1,429,880	45,000,000
Total	5,020,465	158,000,000

Along with the Series B + 1 Financing, Shanghai Cowin transferred 690,763 Shares to Hangzhou Dingyou at a consideration of RMB20,000,000 in June 2023.

Upon completion of the Series B + 1 Financing and the above shares transfer in October 2023, the shareholding structure of our Company was as follows:

Shareholders	Shares	Percentage of shareholding (%)
Mr. HUANG Yuesheng	20,649,408	17.29
Jiujiang Ruihe	19,604,414	16.42
Mr. HU Dingfei	10,864,753	9.10
Mr. YU Xiecai	10,727,663	8.98
Langsheng Investors	6,836,308	5.73
— <i>Langsheng Baihui</i>	3,642,589	3.05
— <i>Langsheng No.2</i>	3,193,719	2.67
Hangzhou Investors	6,546,875	5.48
— <i>Hangzhou Dingtou</i>	3,949,607	3.31
— <i>Hangzhou Dingyou</i>	2,597,268	2.18
Ningbo Gaoling	5,702,641	4.78
Jiujiang Ruijin	5,529,450	4.63

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Shareholders	Shares	Percentage of shareholding (%)
Tianzi Investors	5,126,393	4.29
— <i>Tianzi Wuhe</i>	1,831,181	1.53
— <i>Tianzi Wubo</i>	1,684,080	1.41
— <i>Tianzi Bo'ao</i>	1,611,132	1.35
Jiujiang Ruida	5,026,773	4.21
Beijing Longpan	4,371,107	3.66
Cowin Investors	2,951,826	2.47
— <i>Hangzhou Nanhai</i>	2,549,812	2.14
— <i>Shanghai Cowin</i>	402,014	0.34
Mr. Chen Senjie	2,914,071	2.44
NLVC Investors	2,185,553	1.83
— <i>NLVC Zhengyuan</i>	1,391,153	1.17
— <i>NLVA Hongyuan</i>	794,400	0.67
Wehand Tongyuan No.1	2,010,709	1.68
Wehand Tongyuan No.2	2,010,709	1.68
Cathaya Holding	1,795,276	1.50
Jiaxing Hefeng	1,077,166	0.90
Qingke Industry Investment	1,429,880	1.20
Wehand Tongyuan No.3	1,005,355	0.84
Ms. YU Heqing ⁽¹⁾	456,963	0.38
Tianjuzhuo Investment	359,055	0.30
Ms. SONG Zhuqin ⁽²⁾	228,487	0.19
Total	119,410,835	100.00

Notes:

- (1) In October 2024, Ms. YU Heqing transferred her then entire equity interests in our Company which amounted to 456,963 Shares to Tibet Longpan at a consideration of RMB12,943,065.71, which was determined after arms' length negotiations among the parties and considering the price per registered capital derived from the Company's valuation assessment. The share transfer was completed on October 17, 2024. Accordingly, Ms. YU Heqing ceased to be our Shareholder.
- (2) In October 2024, Ms. SONG Zhuqin transferred her then entire equity interests in our Company which amounted to 228,487 Shares to Tibet Longpan at a consideration of RMB6,471,688.64, which was determined after arms' length negotiations among the parties and considering the price per registered capital derived from the Company's valuation assessment. The share transfer was completed on October 17, 2024. Accordingly, Ms. SONG Zhuqin ceased to be our Shareholder.

(9) Series B + 2 Financing in November 2024 and March 2025

In October 2024, our Company and our then Shareholders entered into an investment agreement with Beijing Pharmaceutical Health Industry Investment Fund L.P.* (北京市醫藥健康產業投資基金(有限合夥)) (“**Beijing Pharmaceutical Fund**”), pursuant to which Beijing Pharmaceutical Fund subscribed for 4,766,265 Shares newly issued by the Company at a consideration of RMB150,000,000.

In January 2025, our Company and our then Shareholders entered into an investment agreement with Beijing Daxing District Industry Development Fund Partnership Enterprise L.P.* (北京市大興區產業發展基金合夥企業(有限合夥)) (“**Daxing Industry Development Fund**”), pursuant to which Daxing Industry Development Fund subscribed for 953,253 Shares newly issued by the Company at a consideration of RMB30,000,000.

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Upon completion of the above Shares issuances (the “**Series B + 2 Financing**”) in November 2024 and March 2025, respectively, the shareholding structure of our Company was as follows:

Shareholders	Shares	Percentage of shareholding (%)
Mr. HUANG Yuesheng	20,649,408	16.50
Jiuiang Ruihe	19,604,414	15.67
Mr. HU Dingfei	10,698,711	8.55
Mr. YU Xiecai	10,414,070	8.32
Langsheng Investors	6,677,432	5.33
— <i>Langsheng Baihui</i>	3,483,713	2.78
— <i>Langsheng No.2</i>	3,193,719	2.55
Hangzhou Investors	6,546,875	5.23
— <i>Hangzhou Dingtou</i>	3,949,607	3.16
— <i>Hangzhou Dingyou</i>	2,597,268	2.08
Ningbo Gaoling	5,702,641	4.56
Longpan Investors	5,536,192	4.42
— <i>Beijing Longpan</i>	4,371,107	3.49
— <i>Tibet Longpan⁽¹⁾</i>	1,165,085	0.93
Jiuiang Ruijin	5,529,450	4.42
Tianzi Investors	5,126,393	4.10
— <i>Tianzi Wuhe</i>	1,831,181	1.46
— <i>Tianzi Wubo</i>	1,684,080	1.35
— <i>Tianzi Bo'ao</i>	1,611,132	1.29
Jiuiang Ruida	5,026,773	4.02
Beijing Pharmaceutical Fund	4,766,265	3.81
Cowin Investors	2,951,826	2.36
— <i>Hangzhou Nanhai</i>	2,549,812	2.04
— <i>Shanghai Cowin</i>	402,014	0.32
Mr. Chen Senjie	2,914,071	2.33
NLVC Investors	2,185,553	1.75
— <i>NLVC Zhengyuan</i>	1,391,153	1.11
— <i>NLVA Hongyuan</i>	794,400	0.63
Wehand Tongyuan No.1	2,010,709	1.61
Wehand Tongyuan No.2	2,010,709	1.61
Cathaya Holding	1,795,276	1.43
Qingke Industry Investment	1,429,880	1.14
Wehand Tongyuan No.3	1,005,355	0.80
Daxing Industry Development Fund	953,253	0.76
Keling'an Pharmaceutical ⁽²⁾	635,503	0.51
Jiaxing Hefeng	600,539	0.48
Tianjuzhuo Investment	359,055	0.29
Total	125,130,353	100.00

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Notes:

- (1) It refers to Tibet Longpan Small-and-Medium Enterprises Development Fund Equity Investment Partnership L.P.* (西藏龍磐中小企業發展基金股權投資合夥企業(有限合夥)) (“**Tibet Longpan**”, together with Beijing Longpan, the “**Longpan Investors**”). For details, see “Pre-[REDACTED] Investments — Information about Our Pre-[REDACTED] Investors” below in this section.
In October 2024, Ms. YU Heqing, Mr. YU Xiecai, Ms. SONG Zhuqin and Mr. HU Dingfei transferred 456,963 Shares, 313,593 Shares, 228,487 Shares and 166,042 Shares, respectively, to Tibet Longpan at a transfer price of RMB28.3241 per Share. The aforementioned share transfers were completed on October 17, 2024.
- (2) Keling’an Pharmaceutical refers to Hefei Keling’an Pharmaceutical Technology Co., Ltd.* (合肥科瓴安醫藥科技有限公司). For details, see “Pre-[REDACTED] Investments — Information about Our Pre-[REDACTED] Investors” below in this section.
Jiaxing Hefeng and Langsheng Baihui transferred 476,627 Shares in December 2024 and 158,876 Shares in January 2025, respectively, to Keling’an Pharmaceutical at RMB31.4712 per Share. The aforementioned share transfers were completed on February 20, 2025.

(10) Series B + 3 Financing and Shares Transfers in September 2025 and October 2025

In September 2025, our Company and our then Shareholders entered into an investment agreement with Beijing Pharmaceutical Fund and Beijing Gongrong Shunxi Equity Investment Fund L.P.* (北京工融順禧股權投資基金(有限合夥)) (“**Gongrong Shunxi**”), pursuant to which each of Beijing Pharmaceutical Fund and Gongrong Shunxi subscribed for 1,588,755 new Shares at a consideration of RMB50,000,000 (the “**Series B + 3 Financing**”).

Along with the Series B + 3 Financing, our then existing Shareholders entered into several Shares transfer agreements, pursuant to which (i) Langsheng Baihui transferred 706,113 Shares to Hefei Guojun New Materials Co., Ltd.* (合肥國駿新型材料有限公司) (“**Hefei Guojun**”) at a consideration of RMB20,000,000 in September 2025, and (ii) Jiaxing Hefeng transferred 600,539 Shares to Yangzhou Zhonghe Huijin Equity Investment Partnership Enterprise L.P.* (揚州中和匯瑾股權投資合夥企業(有限合夥)) (“**Zhonghe Huijin**”) at a consideration of RMB17,009,726 in October 2025. The Shares transfers were at a transfer price of RMB28.3241 per Share.

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Upon completion of the Series B+3 Financing and the above Shares transfers, as of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Shareholders	Shares	Percentage of shareholding (%)
Mr. HUANG Yuesheng	20,649,408	16.09
Jiujiang Ruihe	19,604,414	15.28
Mr. HU Dingfei	10,698,711	8.34
Mr. YU Xiecai	10,414,070	8.12
Hangzhou Investors	6,546,875	5.10
— <i>Hangzhou Dingtou</i>	3,949,607	3.08
— <i>Hangzhou Dingyou</i>	2,597,268	2.02
Beijing Pharmaceutical Fund	6,355,020	4.95
Langsheng Investors	5,971,319	4.65
— <i>Langsheng No.2</i>	3,193,719	2.49
— <i>Langsheng Baihui</i>	2,777,600	2.16
Ningbo Gaoling	5,702,641	4.44
Longpan Investors	5,536,192	4.31
— <i>Beijing Longpan</i>	4,371,107	3.41
— <i>Tibet Longpan</i>	1,165,085	0.91
Jiujiang Ruijin	5,529,450	4.31
Tianzi Investors	5,126,393	4.00
— <i>Tianzi Wuhe</i>	1,831,181	1.43
— <i>Tianzi Wubo</i>	1,684,080	1.31
— <i>Tianzi Bo'ao</i>	1,611,132	1.26
Jiujiang Ruida	5,026,773	3.92
Cowin Investors	2,951,826	2.30
— <i>Hangzhou Nanhai</i>	2,549,812	1.99
— <i>Shanghai Cowin</i>	402,014	0.31
Mr. Chen Senjie	2,914,071	2.27
NLVC Investors	2,185,553	1.70
— <i>NLVC Zhengyuan</i>	1,391,153	1.08
— <i>NLVA Hongyuan</i>	794,400	0.62
Wehand Tongyuan No.1	2,010,709	1.57
Wehand Tongyuan No.2	2,010,709	1.57
Cathaya Holding	1,795,276	1.40
Gongrong Shunxi	1,588,755	1.24
Qingke Industry Investment	1,429,880	1.11
Wehand Tongyuan No.3	1,005,355	0.78
Daxing Industry Development Fund	953,253	0.74
Hefei Guojun	706,113	0.55
Keling'an Pharmaceutical	635,503	0.50
Zhonghe Huijin	600,539	0.47
Tianjuzhuo Investment	359,055	0.28
Total	128,307,863	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRC LEGAL ADVISOR’S CONFIRMATION

As advised by our PRC Legal Advisor, the changes in the registered capital and share capital of our Company were legally valid and effective, and we have made all necessary registrations or filings with the relevant local branch of SAMR in respect of the equity transfers and capital increases.

SHARE INCENTIVE PLATFORMS

In recognition of the contribution of our employees and key personnel and to incentivize them to promote our development, we have adopted our share incentive scheme at the level of five limited partnerships, namely, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No. 4, Wehand Tongyuan No.5 and Jiujiang Ruijin, which were established in the PRC as our Share Incentive Platforms which in turn hold our Shares. Pursuant to our share incentive scheme, the participants do not have direct entitlement to our Shares. Our share incentive scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of new Shares or options over new Shares of our Company after the [REDACTED]. As of the Latest Practicable Date, all incentive awards under the share incentive scheme were granted and vested, and accordingly, the shareholding of our five Share Incentive Platforms was as follows:

- (1) Wehand Tongyuan No.1 was held as to approximately (i) 2.22% by Mr. HUANG Yuesheng as its general partner, (ii) 1.75% by Ms. GAO Lili (高麗麗), a supervisor of Wehand Dacheng, and (iii) 89.54% by 47 limited partners, each of whom was entitled to less than 30% partnership interests in Wehand Tongyuan No.1.
- (2) Wehand Tongyuan No.2 was held as to approximately (i) 5.75% by Mr. HUANG Yuesheng as its general partner, (ii) 27.50% by Wehand Tongyuan No.4, (iii) 22.50% by Wehand Tongyuan No.5, (iv) 0.75% by Mr. WEI Zhongqing (韋忠清), a supervisor of Guangxi Wehand-Bio, and (v) 43.5% by 46 limited partners, each of whom was entitled to less than 30% partnership interests in Wehand Tongyuan No.2.
- (3) Wehand Tongyuan No.4 was held as to approximately (i) 31.37% by Mr. HUANG Yuesheng as its general partner, and (ii) 68.63% by 37 limited partners, each of whom was entitled to less than 30% partnership interests in Wehand Tongyuan No.4.
- (4) Wehand Tongyuan No.5 was held as to approximately (i) 87.80% by Mr. HUANG Yuesheng as its general partner, and (ii) 12.20% by 5 limited partners, each of whom was entitled to less than 30% partnership interests in Wehand Tongyuan No.5.
- (5) Jiujiang Ruijin was held as to (i) 91% by Prof. LIU Yuling, our non-executive Director, as its general partner, and (ii) 9% by Ms. JIN Yiqun, our executive Director and general manager, as its limited partner.

ACTING IN CONCERT

In December 2018, Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei entered into an acting-in-concert agreement (“Acting-in-Concert Agreement”). Based on the Acting-in-Concert Agreement, (i) Mr. HUANG, Mr. YU and Mr. HU shall coordinate and act in concert in respect of day-to-day decision-making and voting at the general meetings, and (ii) in the event that consensus cannot be reached, Mr. HUANG’s view shall prevail. The Acting-in-Concert Agreement will remain effective until 36 months after the [REDACTED] and may be renewed with the unanimous written consent of all parties. Therefore, Mr. HUANG, Mr. YU and Mr. HU was and will be deemed to be a group of Shareholders acting in concert as of the Latest Practicable Date and after completion of the [REDACTED].

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we consider material to us.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Overview

Our Pre-[REDACTED] Investments consist of (a) issue of new Shares, and (b) transfers of equity or Shares.

Principal Terms of the Pre-[REDACTED] Investments

- (a) The following table summarizes the key terms and particulars of the seven series of financings to our Company made by our Pre-[REDACTED] Investors through issue of new Shares:

	Series Angel Financing	Series A Financing	Series A + Financing	Series B Financing	Series B + 1 Financing	Series B + 2 Financing	Series B + 3 Financing
Date of investment agreement(s)	October 19, 2014	June 30, 2015	December 28, 2020	December 15, 2022	June 15, 2023	October 17, 2024	September 29, 2025
Date of completion ⁽¹⁾	November 7, 2014	August 27, 2015	January 28, 2021	January 16, 2023	September 8, 2023	January 1, 2025	January 1, 2025
Amount of consideration (RMB)	30,000,000	230,000,000	341,000,000	50,000,000	December 29, 2023	December 31, 2024	September 30, 2025
Post-money valuation of our Company (RMB)	665,000,000	1,380,000,000 ⁽²⁾	3,141,000,000 ⁽³⁾	3,550,000,000 ⁽⁴⁾	158,000,000	180,000,000	100,000,000
Cost per Share/registered capital paid to our Company (RMB)	7.94	13.73	27.85	31.03	3,758,000,000 ⁽⁵⁾	3,938,000,000	4,038,000,000
				31.47	31.47	31.47	31.47

Discount to the [REDACTED]⁽⁶⁾ Basis of the consideration

[REDACTED]% [REDACTED]% [REDACTED]% [REDACTED]% [REDACTED]% [REDACTED]% [REDACTED]% [REDACTED]%

The post-money valuation was determined by the relevant Pre-[REDACTED] Investors through arm’s length negotiations between the parties based on the valuation of our Company at the time of the investment, taking into account, among others, the timing of the investment, the background of our founding team, industry prospects and market size, and the outlook and growth potential of our Group.

As of the Latest Practicable Date, approximately 90% of the proceeds from the Pre-[REDACTED] Investments have been used, which were for (i) financing our R&D activities, (ii) financing and supporting facilities, and (iii) funding our daily operations.

Pursuant to the applicable PRC laws, within the 12 months from the [REDACTED], all current Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares they currently hold.

Our Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors and their knowledge and experience; and (ii) the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group. Leveraging the resources provided by the Pre-[REDACTED] Investors, we are able to bring in new business opportunities.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Date of completion represents the date on which the consideration for each of the Pre-[REDACTED] Investments had been fully and irrevocably settled.
- (2) The reason for increase in cost per share and valuation of our Company at the time of the Series A Financing as compared with those of the Series Angel Financing is primarily due to the upcoming completion of confirmatory Phase III clinical trials of WH001 which eventually took place in July 2015.
- (3) The reason for increase in cost per share and valuation of our Company at the time of the Series A + Financing as compared with those of the Series A Financing is primarily due to (i) the completion of the NDA for SZ-A APIs and *Sangbo'en* in March 2020 and (ii) the grant of IND approval for WH002's clinical trial in April 2019.
- (4) The reason for increase in cost per share and valuation of our Company at the time of the Series B Financing as compared with those of the Series A + Financing is primarily due to (i) the sales revenue of *Sangbo'en* exceeding RMB100 million and (ii) the submission of pre-IND communication materials for WH006 (weight loss) to the CDE in December 2022.
- (5) The reason for increase in cost per share and valuation of our Company at the time of the Series B + 1 Financing as compared with those of the Series B Financing is primarily due to the upcoming submission of IND application for WH006 (weight loss) which eventually took place in July 2023.
- (6) Calculated based on the mid-point of the indicative [REDACTED].

- (b) The following table summarizes the key terms and particulars of transfers of the equity or Shares where our Pre-[REDACTED] Investors acquired equity or Shares in our Company:

	Equity Transfer in January 2017	Equity Transfers in February 2021	Shares Transfers in August 2022	Shares Transfer in October 2023	Shares Transfers in October 2024	Shares Transfers in December 2024 and January 2025	Shares Transfers in October and September 2025
Transferers	NLVC Zhengyuan	Mr. HUANG Yuesheng, Mr. YU Xiecai, Mr. HU Dingfei and Langsheng No. 2	Mr. HU Dingfei and Mr. YU Xiecai	Shanghai Cowin	Ms. YU Heqing, Ms. SONG Zhuqin, Mr. HU Dingfei and Mr. YU Xiecai	Jiaxing Hefeng and Langsheng Baihui	Langsheng Baihui and Jiaxing Hefeng
Transferees	NLVC Hongyuan	Ningbo Gaoling and Tianjuzhuo Investment	Ms. YU Heqing and Ms. SONG Zhuqin	Hangzhou Dingyou	Tibet Longpan	Keling'an Pharmaceutical	Hefei Guojun and Zhonghe Huijin
Date of transfer agreement(s)	August 10, 2016	January 22, 2021	August 15, 2022	June 30, 2023	October 16, 2024	December 31, 2024 and January 5, 2025	September 24, 2025 and October 24, 2025
Date of completion Amount of consideration (RMB)	October 21, 2016 10,904,332.65	February 5, 2021 60,000,000	August 15, 2022 15,000,000	July 11, 2023 20,000,000	October 17, 2024 32,999,984.05	February 20, 2025 20,000,000	October 31, 2025 37,009,726

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Equity Transfer in January 2017	Equity Transfers in February 2021	Shares Transfers in August 2022	Shares Transfer in October 2023	Shares Transfers in October 2024	Shares Transfers in December 2024 and January 2025	Shares Transfers in October and September 2025
Cost per Share/ Registered Capital as considerations (RMB)	13.73	23.67 (for RMB2,112,089 registered capital transferred to Ningbo Gaoling) and 27.85 (for RMB359,055 registered capital transferred to Tianjuzhuo Investment)	21.88	28.95	28.32	31.47	28.32
Discount to the [REDACTED] ⁽¹⁾	[REDACTED]%	[REDACTED]% (for the transfer to Ningbo Gaoling) [REDACTED]% (for the transfer to Tianjuzhuo Investment)	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Basis of the consideration	To the best of our knowledge, the transfer price per share/registered capital for each share/equity transfer was determined after arm's length negotiations between the relevant transferer(s) and transferee(s) after taking into consideration, among others, the timing of the transfer and the status of our business and operating entities. Nonetheless, since the executed transfer price was negotiated between them, it may deviate from the then Company's per-share valuation around or at the time of transfer.						
Lock-up period	Pursuant to the applicable PRC laws, within the 12 months from the [REDACTED], all current Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares they currently hold.						

Note:

(1) Calculated based on the mid-point of the indicative [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted certain special rights in relation to our Company. On February 12, 2026, our Company entered into a termination agreement with, among others, the Pre-[REDACTED] Investors, pursuant to which, in compliance with Chapter 4.2 of the Guide, (i) the redemption rights and certain other special rights have been terminated prior to the first [REDACTED] of the [REDACTED] of our Company to the Stock Exchange, and (ii) all other remaining special rights of the Pre-[REDACTED] Investors will be terminated upon the [REDACTED]. The redemption rights shall automatically be reinstated upon the earliest occurrence of any one of the following events: (i) the Company or the sponsor withdraws the [REDACTED]; or (ii) the [REDACTED] of the Company is rejected by the securities regulatory authorities.

Sole Sponsor’s Confirmation

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was settled more than 28 clear days before the first filing of the [REDACTED] by our Company with the Stock Exchange, and (ii) the special rights granted to the Pre-[REDACTED] Investors shall be terminated in compliance with Chapter 4.2 of the Guide as disclosed in “— Special Rights of the Pre-[REDACTED] Investors” above, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide.

Information on Our Pre-[REDACTED] Investors

Set forth below are details for each of our Pre-[REDACTED] Investors as of the Latest Practicable Date. To the best knowledge of our Company and save as otherwise disclosed below, all of our Pre-[REDACTED] Investors are Independent Third Parties.

We have received meaningful investments from three Sophisticated Investors (namely, Beijing Pharmaceutical Fund, Langsheng Investors and Longpan Investors), each of whom is in compliance with the requirements set in the paragraph 10 of Chapter 2.3 of the Guide.

(1) Beijing Pharmaceutical Fund

Beijing Pharmaceutical Fund is one of our Sophisticated Investors and is a limited partnership formed on December 28, 2023 under the laws of the PRC. As of the Latest Practicable Date, it primarily engaged in investment in the pharmaceutical industry, which held approximately 4.95% of the Shares in our Company and will hold approximately [REDACTED]% of the Shares in our Company immediately after the completion the [REDACTED] assuming that the [REDACTED] is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED].

As of the Latest Practicable Date, Beijing Pharmaceutical Fund was owned as to (i) 99.00% by its limited partner, Beijing Municipal Government Investment Guidance Fund L.P. (北京市政府投資引導基金(有限合夥)) (“**Beijing Guidance Fund**”), which is ultimately controlled by State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality (“**Beijing SASAC**”); (ii) 0.50% by one of its general partners, Beijing Jingguoguan Real Estate Management Co., Ltd. (北京京國管理有限公司) (“**Beijing Jingguoguan**”), which is ultimately controlled by Beijing SASAC; and (iii) 0.50% by one of its general partners, Beijing Kangshida Management Consulting Co., Ltd. (北京康士德管理諮詢有限公司) (“**Beijing Kangshida**”), which is ultimately controlled by CBC Group (HK) Limited (“**CBC**”). Each of Beijing Pharmaceutical Fund, Beijing Guidance Fund, Beijing Jingguoguan, Beijing Kangshida, Beijing SASAC and CBC is an Independent Third Party.

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Beijing Pharmaceutical Fund is a private equity fund formed with a view to furnishing support to companies at various stages in biotech and healthcare sectors by way of investments into, amongst others, innovative medicines, medical devices, and cell and gene therapies companies. It has affluent investment experience in biotech and healthcare industries, including without limitation Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技股份有限公司), which is a frontrunner and leader in China’s radiopharmaceutical market, and Beijing Avis-tone Biotechnology Co., Ltd. (北京鞍石生物科技股份有限公司), which is a biotech company focusing on research, development and commercialization of innovative anti-tumor drugs. As at September 30, 2025, the net assets of Beijing Pharmaceutical Fund amounted to approximately RMB5.03 billion.

(2) Langsheng Investors

Langsheng Investors refer to Langsheng No.2 and Langsheng Baihui, which is one of our Sophisticated Investors, collectively held approximately 4.65% of the Shares in our Company as of the Latest Practicable Date and will collectively hold approximately [REDACTED]% of the Shares in our Company immediately after the completion the [REDACTED], assuming that the [REDACTED] is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED]. Both the general partners of Langsheng No.2 and Langsheng Baihui are controlled by Langsheng Investment Group Co., Ltd. (朗盛投資集團有限公司) (“**Langsheng Group**”) which is ultimately controlled by Mr. PING Fan (平凡).

Langsheng No.2

Langsheng No.2 is a limited partnership established under the laws of the PRC on December 18, 2013, primarily engaged in equity investment. As of the Latest Practicable Date, Langsheng No.2 was held as to (i) approximately 0.67% by Ningbo Langsheng Investment Management Co., Ltd.* (寧波朗盛投資管理有限公司) as its general partner, and (ii) approximately 99.33% by seven limited partners, each of whom held less than 30% partnership in Langsheng No.2. Mr. PING Fan controlled Ningbo Langsheng Investment Management Co., Ltd.* via (i) a 30% direct shareholding and (ii) approximately 66.2% indirect shareholding through Langsheng Group, in which he held 99% of the equity.

Langsheng Baihui

Langsheng Baihui is a limited partnership established under the laws of the PRC on November 3, 2015, primarily engaged in equity investment. As of the Latest Practicable Date, Langsheng Baihui was held as to (i) approximately 0.33% by its general partner, Ningbo Zhenhai Langsheng Baihui Investment Management Co., Ltd.* (寧波鎮海朗盛百匯投資管理有限公司), and (ii) 99.67% by twelve limited partners, each of whom held less than 30% partnership in Langsheng Baihui. Langsheng Group was interested in 55% of the equity in Ningbo Zhenhai Langsheng Baihui Investment Management Co., Ltd.*, being the only shareholder holding no less than 30% of the equity, and was held 99% by Mr. PING Fan.

To the best knowledge of our Company, each of Mr. PING Fan and abovementioned entities is an Independent Third Party.

Langsheng Group, established in 2010, is a fund that has a division specialized in biopharmaceutical and healthcare sectors, with assets under management of over RMB1.3 billion. Langsheng Group focuses on investing in early-to-growth-stage enterprises with proprietary intellectual property and advanced technologies. The Langsheng Group primarily invests in sectors such as healthcare and technology, supporting companies that have the

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

potential for long-term development. Langsheng Group’s investment portfolio includes companies in the biotechnology industry such as ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (宜明昂科生物醫藥技術(上海)股份有限公司) (a company listed on the Stock Exchange under the stock code 1541.HK), Hinova Pharmaceuticals Inc. (海創藥業股份有限公司) (a company listed on the Shanghai Stock Exchange under the stock code 688302.SH), Beijing Boao Jingdian Biotechnology Co., Ltd.* (北京博奧晶典生物技術有限公司), and companies in the healthcare industry such as Ankon Technologies Co., Ltd. (安瀚科技(武漢)股份有限公司), Saiwei Medical Technology (Shanghai) Co., Ltd.* (賽緯醫療科技(上海)有限公司) and Shanghai Nortion Medical Technology Co., Ltd. (上海諾生醫療科技有限公司). Mr. PING Fan has over ten years of experience in China’s capital markets, with a focus on investments in the healthcare and data-enablement sectors.

(3) Longpan Investors

Longpan Investors refer to Beijing Longpan and Tibet Longpan, which is one of our Sophisticated Investors, collectively held approximately 4.31% of the Shares in our Company as of the Latest Practicable Date and will collectively hold approximately [REDACTED]% of the Shares in our Company immediately after the completion the [REDACTED], assuming that the [REDACTED] is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED]. Longpan Investors were both ultimately controlled by Mr. YU Zhihua (余治華).

Beijing Longpan

Beijing Longpan is a limited partnership established under the laws of the PRC on September 9, 2014, primarily engaged in equity investment. As of the Latest Practicable Date, Beijing Longpan was held as to (i) approximately 1.03% by Beijing Longpan Investment Management Consulting Center G.P.* (“**Longpan Investment**”) (北京龍磐投資管理諮詢中心(普通合夥)) as its general partner, and (ii) approximately 98.97% by 13 limited partners, each of whom held less than 30% partnership in Beijing Longpan and is an Independent Third Party. Longpan Investment was held as to (i) approximately 0.71% by Mr. YU Zhihua as its executive partner, and (ii) approximately 99% by Tibet Longpan Management Consulting Center L.P.* (西藏龍磐管理諮詢中心(有限合夥)). Tibet Longpan Management Consulting Center L.P.* was held as to (i) approximately 54.8% by Beijing Longpan Management Consulting Co., Ltd.* (北京龍磐管理諮詢有限公司) as its general partner, which was held 76.47% and controlled by Mr. YU Zhihua, (ii) approximately 9.15% by Mr. YU Zhihua, and (iii) approximately 90.85% by seven limited partners, each of whom held less than 30% partnership in Tibet Longpan Management Consulting Center L.P.* and is an Independent Third Party.

Tibet Longpan

Tibet Longpan is a limited partnership established under the laws of the PRC on June 2, 2022, primarily engaged in equity investment. As of the Latest Practicable Date, Tibet Longpan was held as to (i) approximately 1.01% by Tibet Ruihan Enterprise Management Consulting Center L.P.* (西藏瑞瀚企業管理諮詢中心(有限合夥)) as its general partner, and (ii) approximately 98.9% by 26 limited partners, each of whom held less than 30% partnership in Tibet Longpan and is an Independent Third Party. Tibet Ruihan Enterprise Management Consulting Center L.P.* was held approximately 76.47% and controlled by its general partner Mr. YU Zhihua.

To the best knowledge of our Company, Mr. YU Zhihua and each of the abovementioned entities is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Longpan Investment is the fund manager of Beijing Longpan and Tibet Longpan, with assets under management of over RMB10 billion. Longpan Investment focuses on the biopharmaceutical sector, primarily targeting early- to mid-stage investments. It has invested in over a hundred innovative drug companies and dozens of innovative medical device companies, including Beijing Kawin Technol Sha-hld Co Ltd* (北京凱因科技股份有限公司) (a company listed on the Shanghai Stock Exchange under the stock code 688687.SH), Eyebright Medical Technology (Beijing) Co., Ltd. (愛博諾德(北京)醫療科技股份有限公司) (a company listed on the Shanghai Stock Exchange under the stock code 688050.SH), RemeGen Co., Ltd. (榮昌生物製藥(煙臺)股份有限公司) (a company listed on the Shanghai Stock Exchange under the stock code 688331.SH and on the Stock Exchange under the stock code 9995.HK), Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (翰思艾泰生物醫藥科技(武漢)股份有限公司) (a company listed on the Stock Exchange under the stock code 3378.HK), Xiamen LP Pharmaceutical Co., Ltd. (力品藥業(廈門)股份有限公司), Jiangsu Yahong Pharmaceutical Technology Co., Ltd.* (江蘇亞虹醫藥科技股份有限公司) (a company listed on the Shanghai Stock Exchange under the stock code 688176.SH) and Xinhang Medical Technology (Guangzhou) Co., Ltd. (心航路醫學科技(廣州)有限公司).

Mr. YU Zhihua has over 15 years of investment experience in the biopharmaceutical field, having invested in more than a hundred innovative drug companies and dozens of innovative medical device companies.

(4) Hangzhou Investors

Hangzhou Investors refer to Hangzhou Dingtou and Hangzhou Dingyou, which collectively held approximately 5.1% of the Shares in our Company as of the Latest Practicable Date and were both ultimately controlled by Mr. YANG Weidong (楊衛東).

Hangzhou Dingtou

Hangzhou Dingtou is a limited partnership established under the laws of the PRC on December 28, 2020, primarily engaged in equity investment. As of the Latest Practicable Date, Hangzhou Dingtou was held as to (i) approximately 11.36% by Mr. YANG Weidong as its general partner, (ii) approximately 10.91% by Ms. ZHOU Jingxian (周京仙), the spouse of our non-executive Director, Mr. FANG Yueliang, and (iii) approximately 77.73% by seven limited partners, each of whom held less than 30% partnership in Hangzhou Dingtou and is an Independent Third Party.

Hangzhou Dingyou

Hangzhou Dingyou is a limited partnership established under the laws of the PRC on May 4, 2023, primarily engaged in equity investment. As of the Latest Practicable Date, Hangzhou Dingyou was held as to (i) 5% by Mr. YANG Weidong as its general partner, (ii) 35% by Mr. KONG Yiming (孔益明), (iii) 35% by Mr. LANG Zhijiang (郎志江), (iv) approximately 6.25% by Ms. ZHOU Jingxian, and (v) 18.75% by seven limited partners, each being an Independent Third Party.

To the best knowledge of our Company, other than Ms. ZHOU Jingxian, each of the abovementioned persons and entities is an Independent Third Party.

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(5) Ningbo Gaoling

Ningbo Gaoling is a limited partnership established under the laws of the PRC on December 13, 2019, which held approximately 4.44% of the Shares in our Company as of the Latest Practicable Date. Ningbo Gaoling is a sub-fund for guiding the commercialization of scientific and technological achievements under the Ministry of Science and Technology, primarily dedicated to promoting the transformation of local fiscal investments in scientific industries into tangible outcomes.

As of the Latest Practicable Date, Ningbo Gaoling was held as to (i) approximately 0.5% by Gaoneng Tianhui Venture Capital Co., Ltd.* (高能天匯創業投資有限公司) as its general partner, in which our non-executive Director Dr. WANG Xiaobin held 49% of the equity and was the only shareholder with a shareholding no less than 30%, (ii) approximately 30.36% by Tianjin Zhong'an Heyuan Equity Investment Fund Partnership Enterprise L.P.* (天津中安和源股權投資基金合夥企業(有限合夥)), which was ultimately controlled 85% by Mr. LIN Xin (林鑫), (iii) approximately 30% by New Productivity Promotion Center, Ministry of Science and Technology (科學技術部新質生產力促進中心), and (iv) approximately 39.14% by three limited partners, each of whom held less than 30% partnership in Ningbo Gaoling and is an Independent Third Party.

To the best knowledge of our Company, other than Dr. WANG Xiaobin and his controlled corporations, namely, Ningbo Gaoling and Gaoneng Tianhui Venture Capital Co., Ltd.*, each of the abovementioned persons and entities is an Independent Third Party.

(6) Tianzi Investors

Tianzi Investors refer to Tianzi Wuhe, Tianzi Wubo and Tianzi Bo'ao, which collectively held approximately 4% of the Shares in our Company as of the Latest Practicable Date and were all managed and controlled by their shared general partner, namely Shanghai Tianzi Investment Management Co., Ltd.* (上海天自投資管理有限公司) (“Shanghai Tianzi”).

Tianzi Wuhe

Tianzi Wuhe is a limited partnership established under the laws of the PRC on December 3, 2020, primarily engaged in equity investment. As of the Latest Practicable Date, Tianzi Wuhe was held as to (i) approximately 0.18% by Shanghai Tianzi as its general partner, and (ii) approximately 99.82% by sixteen limited partners, each of whom held less than 30% partnership in Tianzi Wuhe and is an Independent Third Party.

Tianzi Wubo

Tianzi Wubo is a limited partnership established under the laws of the PRC on August 23, 2023, primarily engaged in equity investment. As of the Latest Practicable Date, Tianzi Wubo was held as to (i) 1.75% by Shanghai Tianzi as its general partner, (ii) 34.98% by Mr. YU Bingqi (于炳歧), an Independent Third Party, and (iii) 63.27% by 10 limited partners, each of whom held less than 30% partnership in Tianzi Wubo and is an Independent Third Party.

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Tianzi Bo’ao

Tianzi Bo’ao is a limited partnership established under the laws of the PRC on December 13, 2022, primarily engaged in equity investment. As of the Latest Practicable Date, Tianzi Bo’ao was held as to (i) approximately 1.85% by Shanghai Tianzi as its general partner, and (ii) approximately 98.15% by eighteen limited partners, each of whom held less than 30% partnership in Tianzi Bo’ao and is an Independent Third Party.

As of the Latest Practicable Date, Shanghai Tianzi was held 80% and therefore controlled by Mr. LI Qiang (李強), who is, to the best of our knowledge, an Independent Third Party.

(7) Cowin Investors

Cowin Investors refer to Hangzhou Nanhai and Shanghai Cowin, which collectively held approximately 2.3% of the Shares in our Company as of the Latest Practicable Date and were both ultimately controlled by Shenzhen Cowin Capital Management Co., Ltd. (深圳同創偉業資產管理股份有限公司) (“**Cowin Capital**”), an asset management company focused on investments in emerging industries whose shares are listed on the National Equities Exchange and Quotations Co., Ltd. (NEEQ) (a PRC over-the-counter system for trading shares of public companies) under the stock code 832793.

Hangzhou Nanhai

Hangzhou Nanhai is a limited partnership established under the laws of the PRC on July 3, 2014, primarily engaged in equity investment. As of the Latest Practicable Date, Hangzhou Nanhai was held as to (i) approximately 7.03% by its general partner, Hangzhou Cowin Capital Management Co., Ltd.* (杭州同創偉業資產管理有限公司), which was a wholly-owned subsidiary of Cowin Capital, and (ii) approximately 92.97% by eight limited partners, each of whom held less than 30% partnership in Hangzhou Nanhai and is an Independent Third Party.

To the best knowledge of our Company, each of Cowin Capital and Hangzhou Cowin Capital Management Co., Ltd.* is an Independent Third Party.

Shanghai Cowin

Shanghai Cowin is a limited partnership established under the laws of the PRC on November 27, 2012, primarily engaged in equity investment. As of the Latest Practicable Date, Shanghai Cowin was held as to (i) approximately 16.29% by its general partner, Shanghai Cowin Capital Management Co., Ltd.* (上海同創偉業資產管理有限公司) (“**Shanghai Cowin Capital**”), which was a wholly-owned subsidiary of Cowin Capital, (ii) approximately 55.71% by Shanghai Cowin Venture Capital Partnership Enterprise L.P.* (上海同創偉業創業投資合夥企業(有限合夥)), which was controlled and managed by its general partner, Shanghai Cowin Capital, and (iii) approximately 28% by four limited partners, each of whom held less than 30% partnership in Shanghai Cowin and is an Independent Third Party.

To the best knowledge of our Company, each of Shanghai Cowin Capital and Shanghai Cowin Venture Capital Partnership Enterprise L.P.* is an Independent Third Party.

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(8) Mr. CHEN Senjie

Mr. CHEN Senjie is an individual investor and, to the best knowledge of our Company, an Independent Third Party. As of the Latest Practicable Date, Mr. CHEN Senjie held approximately 2.27% of the Shares in our Company.

(9) NLVC Investors

NLVC Investors refer to NLVC Zhengyuan and NLVC Hongyuan, which collectively held approximately 1.7% of the Shares in our Company as of the Latest Practicable Date. As of the Latest Practicable Date, NLVC Zhengyuan held approximately 77% of the partnership in NLVC Hongyuan and they shared the same general partner, namely, Suzhou Boyuan Venture Capital Management Partnership Enterprise L.P.* (蘇州柏源創業投資管理合夥企業(有限合夥)) (“Suzhou Boyuan”). NLVC Investors are members of North Light Venture Capital (北極光創投), which is a venture capital institution focusing on early-stage investments in technology-driven enterprises, with a primary focus on sectors such as new technology, healthcare and new consumer industries.

NLVC Zhengyuan

NLVC Zhengyuan is a limited partnership established under the laws of the PRC on August 29, 2014, primarily engaged in equity investment. As of the Latest Practicable Date, NLVC Zhengyuan was held as to (i) approximately 1.00% by its general partner, Suzhou Boyuan, and (ii) approximately 99.00% by 35 limited partners, each of whom held less than 30% partnership in NLVC Zhengyuan and is an Independent Third Party.

NLVC Hongyuan

NLVC Hongyuan is a limited partnership established under the laws of the PRC on December 30, 2015, primarily engaged in equity investment. As of the Latest Practicable Date, NLVC Hongyuan was held as to (i) approximately 1.00% by its general partner, Suzhou Boyuan, (ii) approximately 77.00% by NLVC Zhengyuan, and (iii) approximately 22.00% by two limited partners, each of whom is an Independent Third Party.

As of the Latest Practicable Date, Suzhou Boyuan was held as to (i) approximately 1.00% by its general partner, Suzhou Songyuan Management Consulting Co., Ltd.* (蘇州崧源管理諮詢有限公司), and (ii) approximately 99.00% by five limited partners, each of whom held less than 30% of the partnership in Suzhou Boyuan and is an Independent Third Party. Suzhou Songyuan Management Consulting Co., Ltd.* was held 50% and controlled by Mr. ZHANG Pengpeng (張朋朋), and none of its remaining shareholders held 30% or more equity.

To the best knowledge of our Company, each of Suzhou Boyuan, Suzhou Songyuan Management Consulting Co., Ltd.* and Mr. ZHANG Pengpeng is an Independent Third Party.

(10) Cathaya Holding

Cathaya Holding is a limited liability company established under the laws of the PRC on March 6, 2009. Cathaya Holding is an enterprise primarily engaged in equity investment and production and sales of textile products and raw materials. As of the Latest Practicable Date, Cathaya Holding held approximately 1.4% of the Shares in our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Zhejiang Cathaya International Co., Ltd.* (浙江凱喜雅國際股份有限公司) held approximately 66.44% of the equity in Cathaya Holding and each of its remaining shareholders held less than 30% shareholding therein. Zhejiang Cathaya International Co., Ltd.* was controlled by Mr. BAO Rurong (包如榮), who held approximately 32.67% of the shares therein as of the Latest Practicable Date.

To the best knowledge of our Company, each of Zhejiang Cathaya International Co., Ltd.* and Mr. BAO Rurong is an Independent Third Party.

(11) Gongrong Shunxi

Gongrong Shunxi is a limited partnership established under the laws of the PRC on April 12, 2024, primarily engaged in equity investment. As of the Latest Practicable Date, Gongrong Shunxi held approximately 1.24% of the Shares in our Company.

As of the Latest Practicable Date, Gongrong Shunxi had two general partners, namely, ICBC Capital Management Co., Ltd. (工銀資本管理有限公司) and Beijing Shunxi Private Equity Management Co., Ltd.* (北京順禧私募基金管理有限公司) (“Shunxi PE”). ICBC Capital Management Co., Ltd. was indirectly wholly owned by ICBC Financial Asset Investment Co., Ltd. (工銀金融資產投資有限公司) and Industrial And Commercial Bank of China Limited (中國工商銀行股份有限公司) (a company listed on the Shanghai Stock Exchange under the stock code 601398.SH and Hong Kong Stock Exchange under the stock code 1398.HK). Shunxi PE was indirectly wholly owned by BSCOMC and Beijing SASAC. The limited partner holding 30% or more of the partnership in Gongrong Shunxi is BSCOMC, which holds an interest of 51.49%. To the best knowledge of our Company, each of the abovementioned entities is an Independent Third Party.

(12) Qingke Industry Investment

Qingke Industry Investment is a limited partnership established under the laws of the PRC on July 14, 2021, primarily engaged in providing strategic industrial planning and medium- to long-term asset management investment services. As of the Latest Practicable Date, Gongrong Shunxi held approximately 1.11% of the Shares in our Company.

As of the Latest Practicable Date, Qingke Industry Investment was held as to (i) approximately 0.5% by its general partner, Beijing Qingke Chuangying Venture Capital Management Co., Ltd.* (北京清科創盈創業投資管理有限公司), and (ii) approximately 99.5% by Yuncheng County Yunzhou City Construction and Development Co., Ltd.* (鄆城縣鄆州城市建設發展有限公司), which was ultimately wholly controlled by State-Owned Assets Supervision and Administration Bureau of the People’s Government of Yuncheng County ((鄆城縣國有資產監督管理局). Beijing Qingke Chuangying Venture Capital Management Co., Ltd.* was indirectly wholly owned by Beijing Qingke Chuangfu Investment Management Co., Ltd.* (北京清科創富投資管理有限公司) and Qingke Management Advisory Group Co., Ltd.* (清科管理顧問集團有限公司). As of the Latest Practicable Date, Mr. NI Zhengdong (倪正東) held approximately 54.93% of the equity in Qingke Management Advisory Group Co., Ltd.*, being the only shareholder with no less than 30% shareholding.

To the best knowledge of our Company, each of Mr. NI Zhengdong and the abovementioned entities is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(13) Daxing Industry Development Fund

Daxing Industry Development Fund is a limited partnership established under the laws of the PRC on November 22, 2023, primarily engaged in equity investment. As of the Latest Practicable Date, Daxing Industry Development Fund held approximately 0.74% of the Shares in our Company.

As of the Latest Practicable Date, Daxing Industry Development Fund was held as to (i) approximately 0.1% by its general partner, Beishang Capital Management (Beijing) Co., Ltd.* (北商資本管理(北京)有限公司), which was ultimately wholly owned by State-Owned Assets Supervision and Administration Commission of the People’s Government of Beijing Daxing District (北京市大興區人民政府國有資產監督管理委員會) (“**Daxing SASAC**”), and (ii) approximately 99.9% by Beijing Daxing Development Guidance Fund L.P.* (北京市大興發展引導基金(有限合夥)) (“**Daxing Guidance Fund**”), which was also ultimately wholly owned by Daxing SASAC.

To the best knowledge of our Company, each of Daxing SASAC, Beishang Capital Management (Beijing) Co., Ltd.* and Beijing Daxing Development Guidance Fund L.P.* is an Independent Third Party.

(14) Hefei Guojun

Hefei Guojun is a limited liability company established under the laws of the PRC on December 22, 2016, primarily engaged in new materials industry. As of the Latest Practicable Date, Hefei Guojun held approximately 0.55% of the Shares in our Company.

As of the Latest Practicable Date, Hefei Guojun was held by Mr. LI Xingguo (李興國) and Mr. LI Xiaokang (李曉康) as to 95.00% and 5.00%, respectively. To the best knowledge of our Company, each of Mr. LI Xingguo and Mr. LI Xiaokang is an Independent Third Party.

(15) Keling’an Pharmaceutical

Keling’an Pharmaceutical is a limited liability company established under the laws of the PRC on December 9, 2024. As of the Latest Practicable Date, Keling’an Pharmaceutical held approximately 0.5% of the Shares in our Company.

As of the Latest Practicable Date, Keling’an Pharmaceutical was wholly owned by Hefei Keying Pharmaceutical Technology Co., Ltd.* (合肥科穎醫藥科技有限公司). Mr. FAN Ying (范穎) held 52.5% of the equity in Hefei Keying Pharmaceutical Technology Co., Ltd.*, and was its only shareholder with no less than 30% shareholding.

To the best knowledge of our Company, each of Mr. FAN Ying and Hefei Keying Pharmaceutical Technology Co., Ltd.* is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(16) Zhonghe Huijin

Zhonghe Huijin is a limited partnership established under the laws of the PRC on April 20, 2023, primarily engaged in equity investment. As of the Latest Practicable Date, Zhonghe Huijin held approximately 0.47% of the Shares in our Company.

As of the Latest Practicable Date, Zhonghe Huijin was held as to (i) approximately 0.03% by its general partner, Beijing Zhonghe Yuanliang Private Equity Fund Management Co., Ltd.* (北京中和元良私募基金管理有限公司), (ii) approximately 90.88% by Shanxi Runsheng Daye Biomaterials Co., Ltd.* (山西潤生大業生物材料有限公司), and (iii) approximately 0.09 by an Independent Third Party.

Beijing Zhonghe Yuanliang Private Equity Fund Management Co., Ltd.* was wholly owned by Beijing Dayou Tongxiang Technology Co., Ltd.* (北京大有通向科技有限公司), which was held 95.5% and controlled by Mr. ZHOU Longhuan (周龍環).

Shanxi Runsheng Daye Biomaterials Co., Ltd.* was held 95% and controlled by Ms. YAN Changli (閻長麗).

To the best knowledge of our Company, each of Mr. ZHOU Longhuan, Ms. YAN Changli, Beijing Zhonghe Yuanliang Private Equity Fund Management Co., Ltd.* and Shanxi Runsheng Daye Biomaterials Co., Ltd.* is an Independent Third Party.

(17) Tianjuzhuo Investment

Tianjuzhuo Investment is a limited partnership established under the laws of the PRC on January 13, 2021, primarily engaged in equity investment. As of the Latest Practicable Date, Tianjuzhuo Investment held approximately 0.28% of the Shares in our Company.

As of the Latest Practicable Date, Tianjuzhuo Investment was held by Ms. ZHAO Xuehua (趙雪花) and Mr. ZHAO Fajie (趙發傑) as to 95.00% and 5.00%, respectively. To the best knowledge of our Company, each of Ms. ZHAO Xuehua and Mr. ZHAO Fajie is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The table below sets forth the shareholding structure of our Company as of the Latest Practicable Date and upon the [REDACTED] (assuming that the [REDACTED] is not exercised):

Shareholders	As of the Latest Practicable Date		Upon [REDACTED]			Percentage of shareholding (%)
	Number of Shares	Percentage of shareholding (%)	Number of Unlisted Shares	Number of H Shares	Number of Shares	
Controlling Shareholders	71,420,149	55.67	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. HUANG Yuesheng	20,649,408	16.09	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiujiang Ruihe	19,604,414	15.28	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. HU Dingfei	10,698,711	8.34	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. YU Xiecai	10,414,070	8.12	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiujiang Ruida	5,026,773	3.92	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wehand Tongyuan No.1	2,010,709	1.57	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wehand Tongyuan No.2	2,010,709	1.57	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wehand Tongyuan No.3	1,005,355	0.78	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Investors	6,546,875	5.10	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Dingtou	3,949,607	3.08	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Dingyou	2,597,268	2.02	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Pharmaceutical Fund	6,355,020	4.95	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Langsheng Investors	5,971,319	4.65	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Langsheng No.2	3,193,719	2.49	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Langsheng Baihui	2,777,600	2.16	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ningbo Gaoling	5,702,641	4.44	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Longpan Investors	5,536,192	4.31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Longpan	4,371,107	3.41	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tibet Longpan	1,165,085	0.91	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiujiang Ruijin	5,529,450	4.31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianzi Investors	5,126,393	4.00	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianzi Wuhe	1,831,181	1.43	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianzi Wubo	1,684,080	1.31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianzi Bo'ao	1,611,132	1.26	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cowin Investors	2,951,826	2.30	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Nanhai	2,549,812	1.99	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Cowin	402,014	0.31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Chen Senjie	2,914,071	2.27	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NLVC Investors	2,185,553	1.70	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NLVC Zhengyuan	1,391,153	1.08	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NLVA Hongyuan	794,400	0.62	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cathaya Holding	1,795,276	1.40	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gongrong Shunxi	1,588,755	1.24	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Qingke Industry Investment	1,429,880	1.11	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Daxing Industry Development Fund	953,253	0.74	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hefei Guojun	706,113	0.55	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Keling'an Pharmaceutical	635,503	0.50	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Zhonghe Huijin	600,539	0.47	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianjuzhuo Investment	359,055	0.28	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	128,307,863	100.00	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Remaining public [REDACTED]	—	—	—	[REDACTED]	[REDACTED]	[REDACTED]
Total			[REDACTED]	[REDACTED]	[REDACTED]	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Note:

- (1) [REDACTED] Domestic Unlisted Shares held by our existing Shareholders will be converted to H Shares upon [REDACTED].

PUBLIC FLOAT AND FREE FLOAT

Public Float

Immediately upon completion of the [REDACTED] (assuming that the Conversion of Domestic Unlisted Shares into H Shares is completed and the [REDACTED] is not exercised), among the [REDACTED] H Shares,

- a. the [REDACTED] H Shares in aggregate held by (i) Mr. HUANG Yuesheng, Mr. HU Dingfei, Mr. YU Xiecai, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe, each being one of our Controlling Shareholders, and (ii) Jiujiang Ruijin and Ningbo Gaoling, each being a controlled corporation of our Director, to be converted from Domestic Unlisted Shares and [REDACTED] on the Stock Exchange (representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED]) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED] as such Shares constitute Shares held by core connected persons of our Company;
- b. the [REDACTED] H Shares held by our Pre-[REDACTED] Investors which are Independent Third Parties to be converted from Domestic Unlisted Shares and [REDACTED] on the Stock Exchange (representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED]) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED] as (i) these entities will not be core connected persons of our Company upon the [REDACTED] nor are they accustomed to take instructions from the Company’s core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and (ii) their acquisition of Shares were not financed directly or indirectly by the Company’s core connected persons; and
- c. [REDACTED] H Shares will be [REDACTED] pursuant to the [REDACTED].

Upon [REDACTED], our Company will satisfy the public float requirement under Rule 19A.13A(1) of the Listing Rules, which states that, in the event the expected market value of the Company’s H Shares upon [REDACTED] is over HK\$6 billion but does not exceed HK\$30 billion, the minimum number of H shares held by the public at the time of [REDACTED] as a percentage of the total issued Shares of the Company shall be the higher of: (i) the percentage that would result in the expected market value of H shares held by the public to be HK\$1.5 billion at the time of [REDACTED]; and (ii) 15%. Assuming that (i) [REDACTED] H Shares are allotted and issued in the [REDACTED] (assuming the [REDACTED] is not exercised), (ii) [REDACTED] Unlisted Shares held by our existing Shareholders are converted into H Shares and (iii) the [REDACTED] will be HK\$[REDACTED] per H Share, being the low-end of the indicative [REDACTED], [REDACTED] H Shares, equivalent to [REDACTED]% of the total number of issued Shares of our Company, will be counted towards the public float, which is higher than the prescribed percentage of H Shares required to be held in public hands under Rule 19A.13A(1) of the Listing Rules, representing [REDACTED]% of H Shares to be held in public hands with the expected market value of HK\$1.5 billion at the time of [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Free Float

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$50,000,000; or (b) have an expected market value at the time of [REDACTED] of not less than HK\$600,000,000.

Immediately following completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the total number of Shares of our Company will be [REDACTED]. We expect [REDACTED] Shares, representing [REDACTED]% of the total number of our issued shares, with an expected market capitalization of approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED] [REDACTED]), being held by the public and not subject to any disposal restrictions at the time of [REDACTED]. Therefore, our Company is expected to satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

PREVIOUS LISTING ATTEMPT AND REASONS FOR THE [REDACTED]

In April, 2021, our Company entered into a guidance agreement for the initial public offering in the A-share market (the “**Guidance Agreement**”) for the purposes of exploring the opportunity of establishing a capital market platform and receiving guidance from a qualified sponsor of A-share listing (the “**A-share Listing Guidance**”). Along with the development of our business, and considering that the Stock Exchange is an internationally recognized and reputable stock exchange, we subsequently terminated the Guidance Agreement in March 2023 and decided to seek to [REDACTED] our H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our business, to provide an overseas fundraising platform for our Company, to further strengthen our brand influence and market awareness, to increase our international presence to further enhance our competitiveness, and to improve the internal governance structure and establish a modern enterprise management system. For further details of our future plans, see “Future Plans and Use of [REDACTED].”

Since the execution of the Guidance Agreement and up to the Latest Practicable Date, our Company had not submitted any A-share listing application to the CSRC or any stock exchange in the PRC, and had not received any comments or inquiries by the CSRC (including its local offices) or any stock exchange in the PRC in connection with the Guidance Agreement or the A-share Listing Guidance.

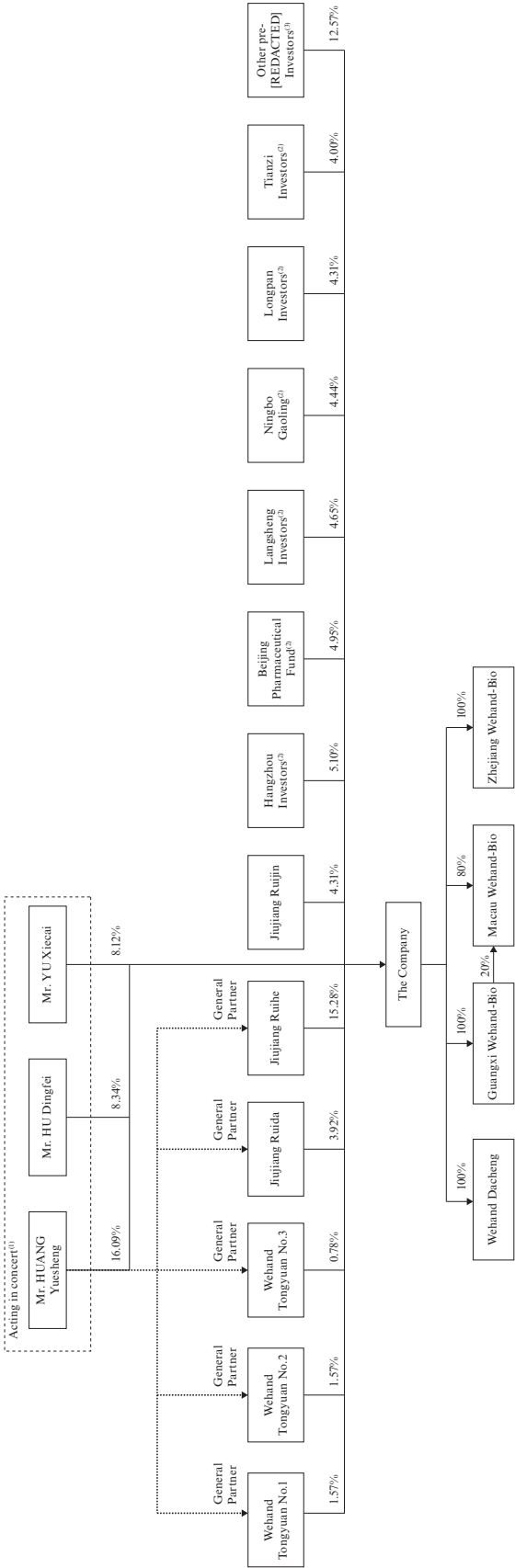
To the best of our Directors’ knowledge and belief, our Directors are not aware of any material matter in relation to the A-share Listing Guidance that needs to be brought to the attention of the Stock Exchange and [REDACTED]. Based on the independent due diligence work conducted by the Sole Sponsor and the information and representation given to the Sole Sponsor, nothing material has come to the Sole Sponsor’s attention that could reasonably cause the Sole Sponsor to cast doubt on the Directors’ view as set out above.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately before the [REDACTED], assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED].



Notes:

- (1) For details, see “Acting in Concert” above in this section.
- (2) For details, see “Pre-[REDACTED] Investments — Information about Our Pre-[REDACTED] Investors” above in this section.
- (3) Pre-[REDACTED] Investors with shareholdings of less than 4% in our Company.

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately after the completion the [REDACTED], assuming that the [REDACTED] is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED].



BUSINESS

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.

BUSINESS

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.

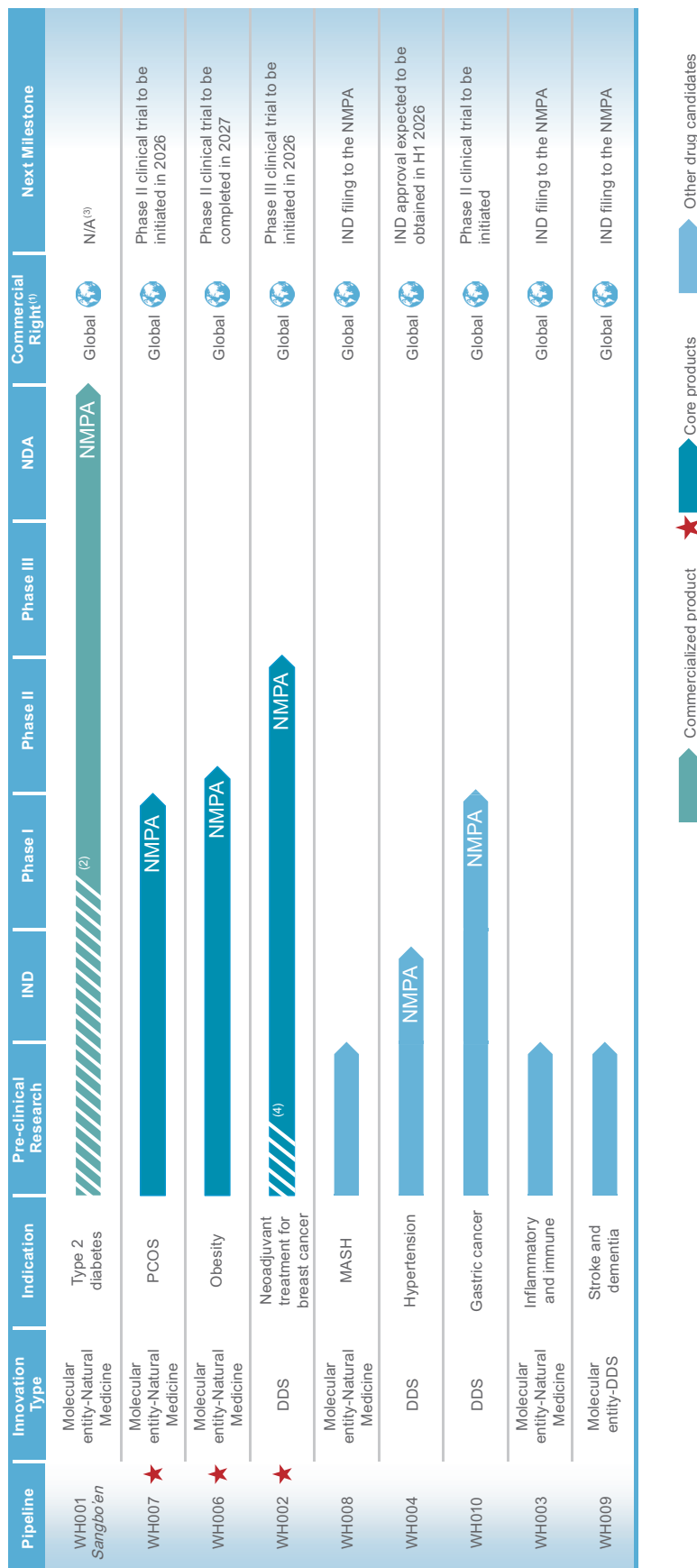
Our Product Pipeline

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.

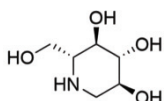
Sangbo'en obtained NDA approval from the NMPA in March 2020, and was included in the NRDL in the same year.

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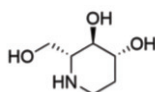
API and Its Active Components

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.

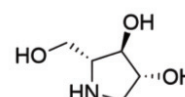
The molecular formulas of the aforementioned three active components of SZ-A are as follows:



DNJ



FA



DAB

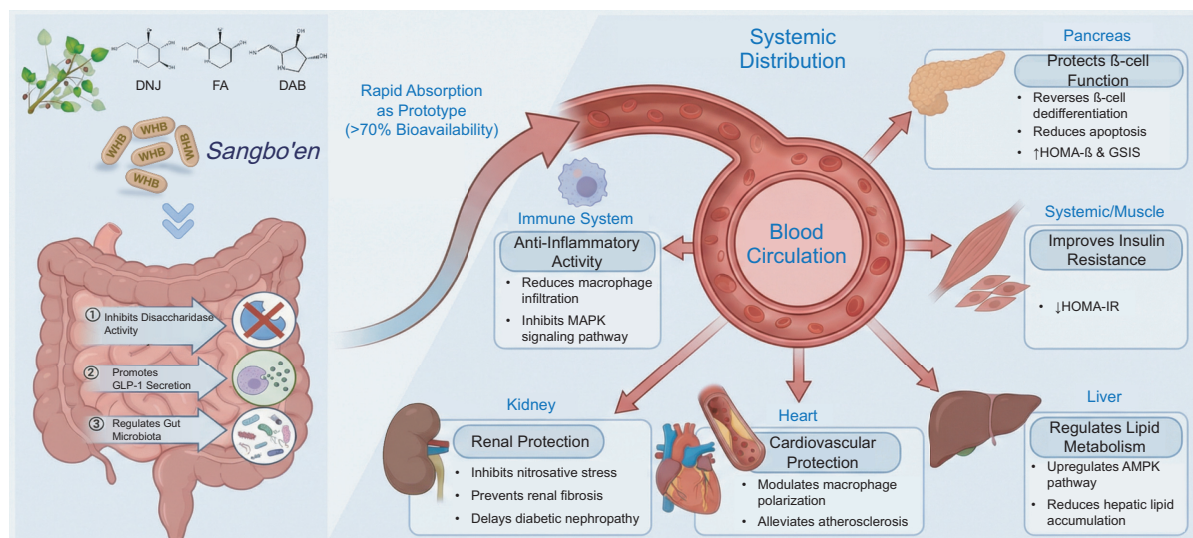
MOA

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.

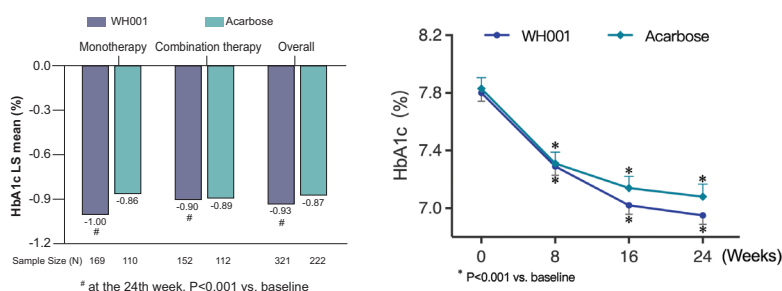
Summary of Clinical Trials of WH001 Sangbo'en

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*:

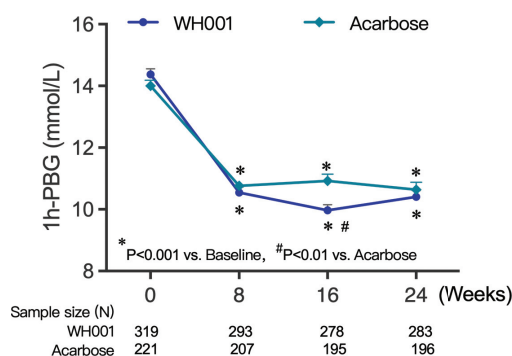
HY-SZ IIIa-Pro-131020-01: A Randomized, Double-Blind, Double-Dummy, Parallel-Controlled Phase IIIa Clinical Trial to Evaluate Efficacy and Safety Profile for WH001 Compared with Acarbose

- **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.

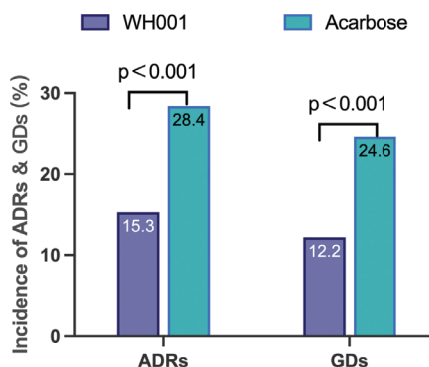
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- o **Secondary efficacy endpoints — target achievement and glycemic control.** After treatment, 47.7% of subjects in the WH001 group achieved HbA1c < 7%, compared with 45.0% in the acarbose group. In addition, treatment with both WH001 and acarbose 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.



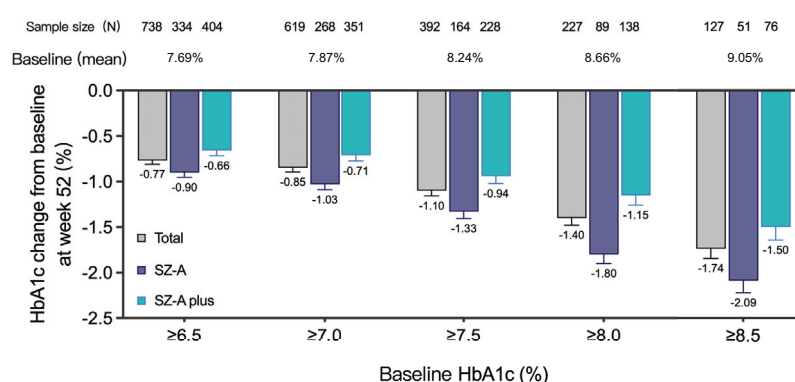
- **Safety Data:** After treatment, the incidence of ADRs was 15.3% in the WH001 group, compared with 28.4% in the acarbose group. The most common ADRs in both groups were gastrointestinal disorders (“**GD(s)**”), with incidence rates of 12.2% for WH001 group and 24.6% for acarbose group. No hypoglycemic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

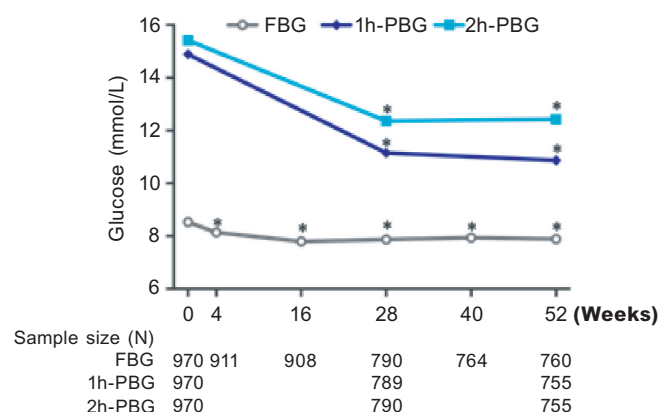
- Trial design:** The primary objectives of the clinical trial were to evaluate the glucose-lowering efficacy of *Sangbo'en* in subjects with varying baseline HbA1c levels, its efficacy when used in combination with either (i) MET, sulfonylureas, DPP-4i, or basal insulin, or (ii) regimens that contain 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:



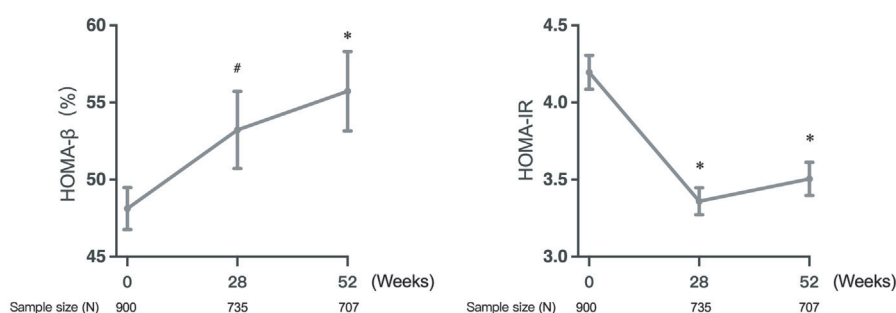
Monotherapy with *Sangbo'en* demonstrated potent glucose-lowering effects. It can also be used in combination with MET, sulfonylureas, DPP-4i, insulin, or regimens that contain both MET and one of the other medicines listed above, thereby further improving HbA1c levels and demonstrating complementary 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”)).



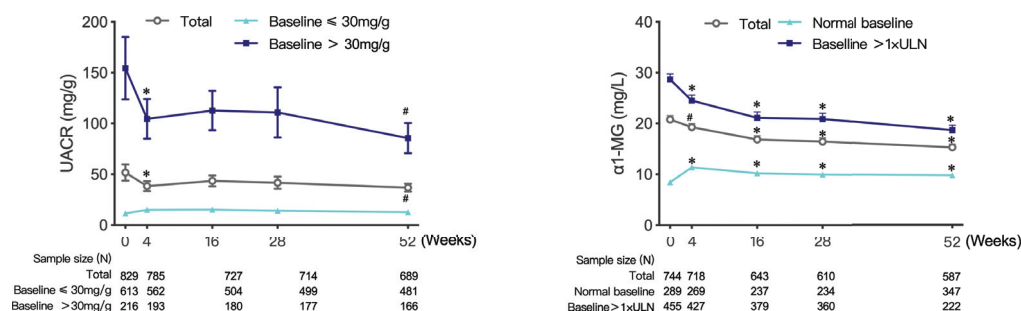
After 52 weeks of treatment, the mean value of HOMA- β increased by 15.8% compared to baseline, with an average change of 8.17 ± 64.3 , suggesting an improvement in pancreatic β -cell function, and the mean value of HOMA-IR decreased by 16.4% compared to baseline, with an average change of -0.72 ± 3.56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



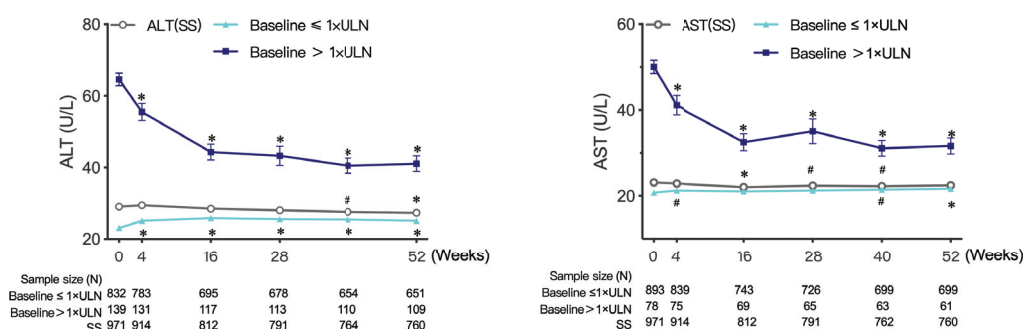
In subjects with albuminuria at baseline, UACR decreased from 154.47 mg/g at baseline to 85.64 mg/g after treatment. The abnormal baseline levels of α 1-MG and β 2-MG also significantly decreased. The relative reductions in UACR, α 1-MG, and β 2-MG compared to baseline were 44.6%, 34.8%, and 33.5%, respectively. 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.

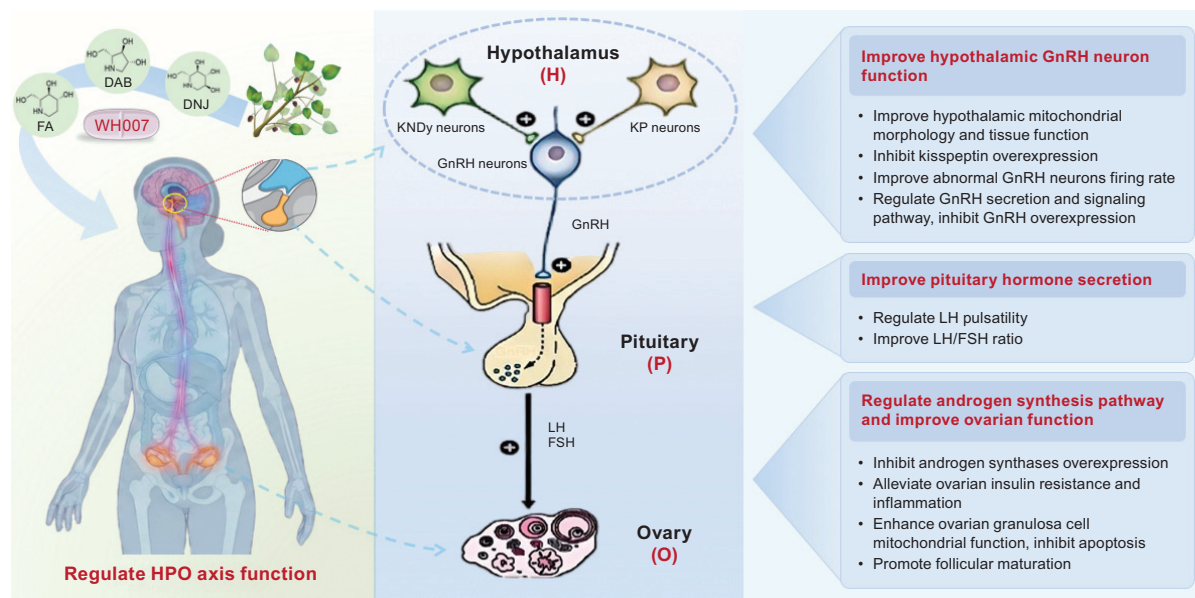
Dysregulation of the HPO axis is a core pathogenic mechanism of PCOS: (i) abnormal hypothalamic function along with excessive secretion of kisspeptin (“KP”) by KP neurons results in abnormal firing of GnRH neurons and an increased frequency of pulsatile GnRH release, which subsequently causes (ii) dysregulated 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 (“IKK β ”)/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

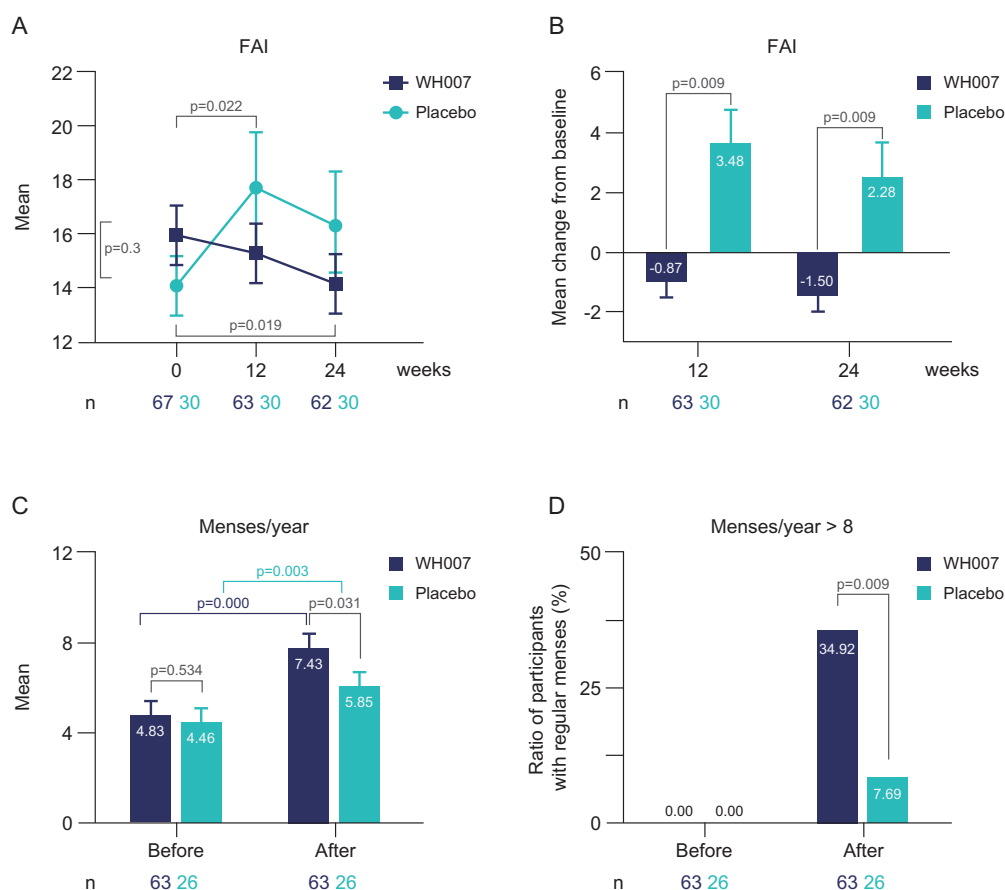
WH007 has completed an IIT in November 2024.

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

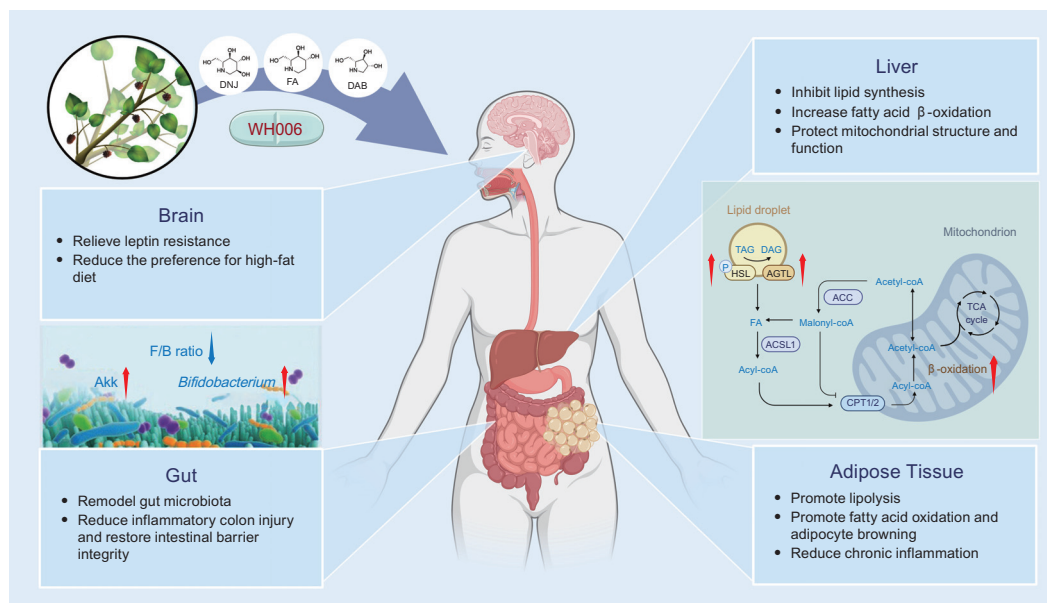
The expected therapeutic effect of WH006 on obesity is primarily attributable to its systemic tissue distribution following oral administration and its direct regulatory effect on relevant target tissues, rather than reliance on intestinal glucosidase inhibition. Tissue distribution studies targeting 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.

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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

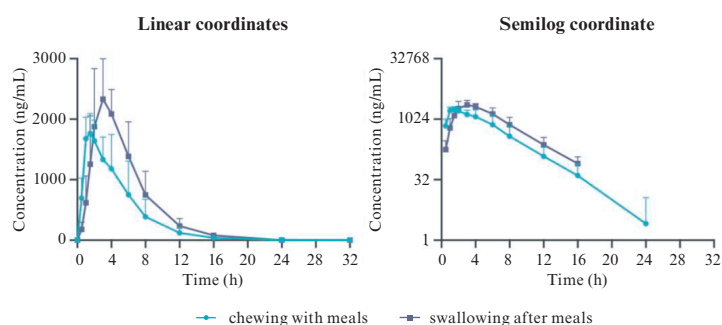
WH006 has completed Phase I clinical trial in 2024, and is currently undergoing Phase II clinical trial.

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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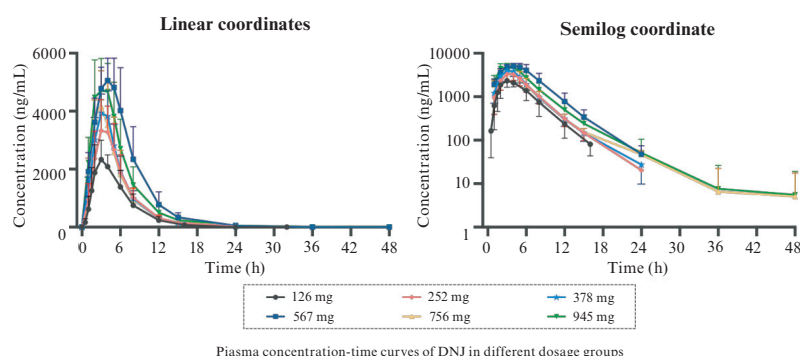
- **Comparative PK study of chewing with meals versus swallowing after meals:** Healthy subjects received a single 126 mg dose, administered either by chewing with meals or swallowing after meals, to compare the PK characteristics between the two administration methods. This part provided support for 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.



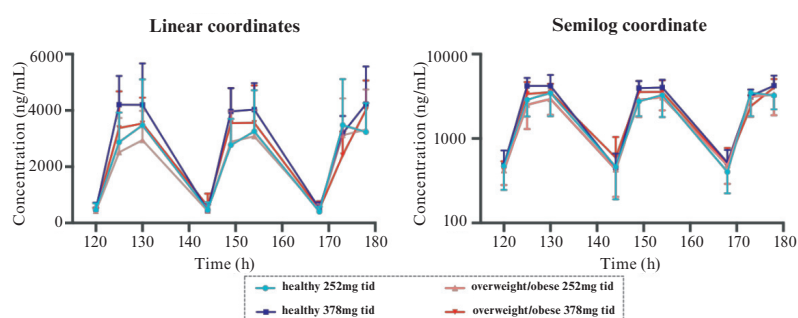
Average plasma concentration-time curves of DNJ following chewing and swallowing administration

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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.

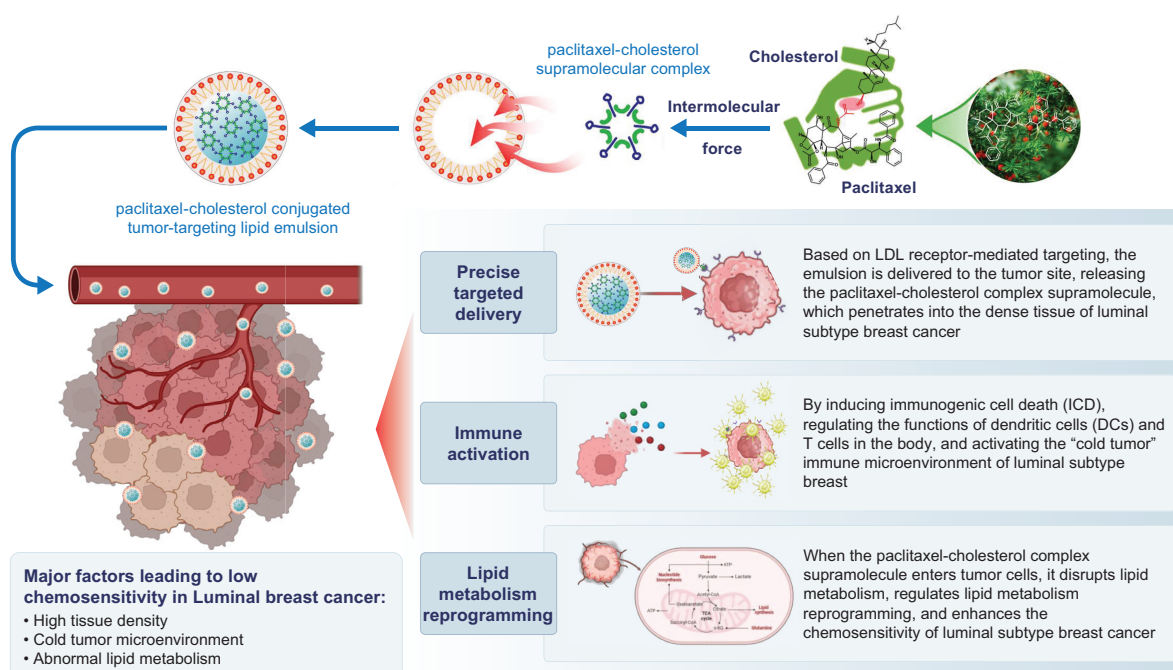
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MOA

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.

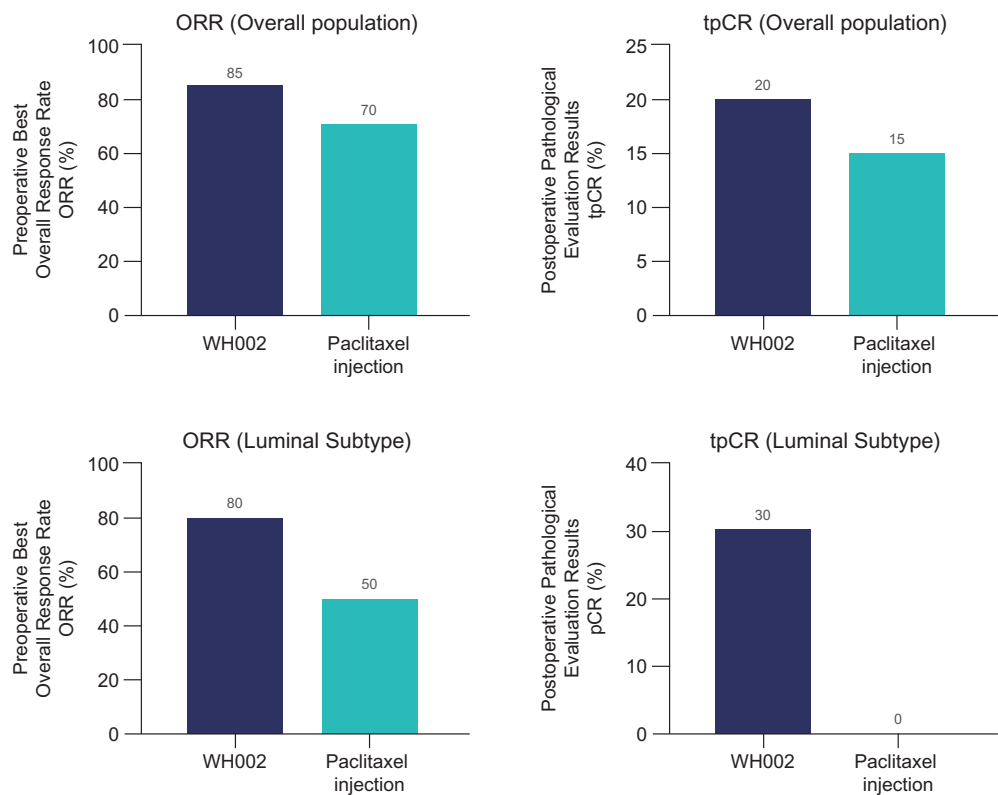
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WH002-I-102: A Multicenter, Randomized, Open-label, Positive Drug Parallel-Controlled Phase II Clinical Trial to Evaluate Safety and Tolerability of WH002 as Neoadjuvant Treatment in Subjects with HER-2-Negative Breast Cancer

- ***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.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET WH002 SUCCESSFULLY.

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.

BUSINESS

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	<u>43</u>	<u>44</u>

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.

BUSINESS

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.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Mr. HUANG Yuesheng, Mr. HU Dingfei and Mr. YU Xiecai were directly interested in and entitled to exercise approximately 16.09%, 8.34% and 8.12%, respectively, of the voting right at our general meetings. As detailed in “History, Development and Corporate Structure — Acting in Concert” in this document, in December 2018, Mr. HUANG Yuesheng, Mr. YU Xiecai and Mr. HU Dingfei entered into an acting-in-concert agreement, pursuant to which, Mr. HUANG Yuesheng, Mr. HU Dingfei and Mr. YU Xiecai were and will be deemed as a group of Shareholders acting in concert as of the Latest Practicable Date and after completion of the [REDACTED]. Mr. HUANG Yuesheng acts as the general partner of Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe, and is accordingly entitled to exercise the respective voting rights attached to the Shares held by them, which represents 1.57%, 1.57%, 0.78%, 3.92% and 15.28% of the voting rights at our general meetings as of the Latest Practicable Date, respectively. Therefore, as of the Latest Practicable Date, Mr. HUANG Yuesheng, Mr. HU Dingfei, Mr. YU Xiecai, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe, directly and indirectly, were interested in and entitled to exercise a total of approximately 55.67% of the voting right at our general meetings.

Accordingly, immediately following completion of the [REDACTED], each of Mr. HUANG Yuesheng, Mr. HU Dingfei, Mr. YU Xiecai, Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruida and Jiujiang Ruihe will together constitute a group of our Controlling Shareholders under the Listing Rules and will be entitled to exercise approximately [REDACTED]% of the voting power at our general meetings (assuming the [REDACTED] is not exercised).

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors believe that our Group will be capable of carrying out our business independently from our controlling Shareholders and their respective close associates after the [REDACTED] for the reasons set out below.

Management Independence

Upon [REDACTED], our Board will comprise nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors. Our management and operational decisions are made by our Board of Directors and senior management collectively, most of whom have served our Group for a significant period of time and have substantial and extensive relevant industry experience and expertise.

Our Directors consider that our Board and senior management will be able to function independently from our Controlling Shareholders and their respective close associates after the [REDACTED] for the following reasons:

- (i) other than Mr. HUANG Yuesheng, none of the Directors or members of the senior management of our Company holds leading roles in any members of the Controlling Shareholders;
- (ii) each of our Director is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director of a [REDACTED] issuer, which require, among other things, that he or she acts for the best interests of our Company and our Shareholders as a whole and does not allow any conflict between his or her duties as a Director and his or her personal interests;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (iii) our daily management and operations are carried out by our executive Directors and senior management team, all of whom have substantial experience in the industry in which our Company is engaged and will therefore be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our executive Directors and senior management team, please refer to the section headed “Directors and Senior Management” in this document;
- (iv) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors are not associated with our controlling Shareholders or their respective close associates, which ensures that decisions of our Board are made only after due consideration of independent and impartial opinions;
- (v) our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to provide a balance of potentially interested Directors with a view to promote the interests of our Company and our Shareholders as a whole;
- (vi) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;
- (vii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions.

Based on the above, our Directors are of the view that our Board and senior management as a whole are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholders and their respective close associates after [REDACTED].

Operational Independence

We are in possession of all technologies relating to our Group’s business all requisite qualifications and approvals for conducting all our business. Currently, we engage in our Group’s business independently, with the independent right to make operational decisions and implement such decisions.

We have a full-time management team and team of staff to carry out its operation and administration independently from the Controlling Shareholders. We have established a complete organizational structure, comprising various separate departments each charged with specific responsibilities. The support functions comprising administrative management, finance product development, production, quality control, compliance and human resource management will also continue to be handled by a team of staff employed directly by us. We have also established a set of internal control procedures and adopted corporate governance measures to facilitate the independent and effective operation of our business.

Based on the above, our Directors are satisfied that our Group is able to operate independently from members of the Controlling Shareholders and their respective close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Financial Independence

We have the ability to operate independently from our Controlling Shareholders and their respective close associates from a financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function, and an Audit Committee comprising of independent non-executive Directors and non-executive Directors to oversee our accounting and financial reporting processes. We maintain our bank accounts independent from our Controlling Shareholders or their respective close associates. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

As of the Latest Practicable Date, the outstanding balance of bank loans guaranteed by our Controlling Shareholders and their close associates was approximately RMB145,650,000, comprising 14 loan facilities, three of which had outstanding balances of RMB31.35 million, RMB30 million and RMB19.5 million, respectively, and each of the remaining 11 facilities had an outstanding balance not exceeding RMB10 million. Our Group expects to release such guarantees by our Controlling Shareholders before [REDACTED]. Save as disclosed above, there was no outstanding loan, advance or balance of a non-trade nature due to or from, nor any pledge or guarantee provided by, our Controlling Shareholders or their respective close associates.

We do not rely on our Controlling Shareholders or their close associates to provide financial assistance to our Group. We have independent access to third party financing and our Directors believe that we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are satisfied that we will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after [REDACTED].

COMPETITION

As of the Latest Practicable Date, none of our Controlling Shareholders and their respective close associates was interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group’s business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their respective close associates:

- (i) where a Board meeting is held for the matters in which any Director has a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (ii) where a Shareholders’ meeting is to be held for considering proposed transactions in which any member of our Controlling Shareholders or any of their associates has a material interest, the relevant member in our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum for the voting;
- (iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with any member of our Controlling Shareholders or any of their associates, our Company will comply with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, reporting and independent Shareholders’ approval requirements (if applicable) under the Listing Rules;
- (iv) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors, to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors, individually and collectively, possess the requisite knowledge and experience. They are committed to providing experienced and professional advice to protect the interests of our minority Shareholders;
- (v) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (vi) our Controlling Shareholders will provide our independent non-executive Directors with all relevant financial, operational and market and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;
- (vii) our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;
- (viii) we have established our Audit Committee, Strategy Committee, Remuneration Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules;
- (ix) where our Directors reasonably request for the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (x) we have appointed Rainbow Capital (HK) Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage existing and potential conflict of interest, and to protect minority Shareholders’ interests after the [REDACTED].

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, our registered share capital was RMB128,307,863, comprising 128,307,863 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company (%)
Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Immediately following completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Note:

- (1) Following completion of the [REDACTED], [REDACTED] Unlisted Shares held by our existing Shareholders will be converted into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for [REDACTED], respectively. Filing of such conversion of the Unlisted Shares into H shares has been completed with the CSRC on [•], 2026.

SHARE CAPITAL

OUR SHARES

The H Shares, to be [REDACTED] following completion of the [REDACTED] and converted from the Unlisted Shares, and the Unlisted Shares are ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, investors of the PRC. H Shares may only be subscribed for, and [REDACTED] in, Hong Kong dollars.

RANKING

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

All our Unlisted Shares are not listed or traded on any stock exchange. According to the regulations issued by the securities regulatory authorities of the State Council and our Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be [REDACTED] and [REDACTED] on an overseas stock exchange provided that the conversion, [REDACTED] and [REDACTED] of such converted Shares have been filed with the CSRC. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Upon completion of the [REDACTED] and pursuant to the approval of the CSRC dated [•], [REDACTED] Unlisted Shares will be converted to H Shares on a one-for-one basis and be [REDACTED] for [REDACTED] on the Stock Exchange.

LISTING REVIEW AND FILING WITH THE CSRC

In accordance with the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境内未上市股份申请「全流通」业务指引》) announced by the CSRC, H-share listed companies which apply for the conversion of shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC according to the administrative licensing procedures necessary for the “examination and approval of public issuance and listing (including additional issuance) of overseas shares by a joint stock company.” An H-share listed company may apply for a “Full Circulation” separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for “full circulation” when applying for an overseas listing.

Our Company has applied for a “full circulation” filing when applying for an overseas [REDACTED] filing with the CSRC on [•], and [submitted] the filing reports, authorization documents of the shareholders of unlisted shares for which an H-share “full circulation” filing was applied, undertaking about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

SHARE CAPITAL

Where the [REDACTED] cannot be completed within one year upon receipt of the filing notice, and our Company will continue to conduct overseas [REDACTED] and [REDACTED] after that, it shall update the filing materials, and the CSRC will update the public filing information accordingly.

[REDACTED] APPROVAL BY THE HONG KONG STOCK EXCHANGE

We [have applied] to the [REDACTED] for the granting of the [REDACTED] of, and permission to [REDACTED], our Shares to be issued pursuant to the [REDACTED] (including (i) any Shares which may be issued pursuant to the exercise of the [REDACTED]; and (ii) the H Shares to be converted from the Unlisted Shares) on the Stock Exchange).

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (i) giving instructions to our [REDACTED] regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED]. The Full Circulation Participating Shareholders may only sell the Shares upon completion of following domestic procedures. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the date of [REDACTED]. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to this statutory restriction and shall not be transferred for a period of one year from the date of [REDACTED].

Pursuant to the PRC Company Law, transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management, a summary of which is set out in “Appendix III — Summary of Articles of Association.”

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the Detailed Rules for the Implementation of Registration and Custody Business of Non-Overseas Listed Shares of Overseas Listed Companies by China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司境外上市公司非境外上市股份登記存管業務實施細則》) issued by the CSRC, the Domestic Unlisted Shares shall be centrally registered and deposited at a domestic securities depository and settlement agency.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our general Shareholders’ meetings are required, see “Appendix III — Summary of Articles of Association.”

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [REDACTED] and conversion of our Unlisted Shares into H Shares (assuming that the [REDACTED] is not exercised), the following persons are expected to have or be deemed or taken to have an interest and/or a short position in the Shares of our Company, which would be required to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of share capital carrying rights to vote in all circumstances at the general meetings of the Company or any other members of the Group:

LONG POSITIONS IN THE SHARES OF OUR COMPANY

Name	Nature of Interest	As of the Latest Practicable Date		Immediately following completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares		
		Number and description of Shares	% of shareholding in the total issued share capital	Number and description of Shares	% of shareholding in the Unlisted Share/ H shares (as applicable) ⁽¹⁾	% of shareholding in the total issued share capital ⁽¹⁾
Mr. HUANG Yuesheng	Beneficial owner	20,649,408 Unlisted Shares	16.09%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
	Interest in controlled corporations ⁽²⁾	29,657,960 Unlisted Shares	23.12%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
	Interest held jointly with other persons ⁽³⁾	21,112,781 Unlisted Shares	16.46%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
Jiujiang Ruihe	Beneficial owner	19,604,414 Unlisted Shares	15.28%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
Mr. HU Dingfei	Beneficial owner	10,698,711 Unlisted Shares	8.34%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
	Interest held jointly with other persons ⁽³⁾	60,721,438 Unlisted Shares	47.32%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
Mr. YU Xiecai	Beneficial owner	10,414,070 Unlisted Shares	8.12%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
	Interest held jointly with other persons ⁽³⁾	61,006,079 Unlisted Shares	47.55%	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) Calculated based on the aggregate number of (a) [REDACTED] Unlisted Shares in issue and (b) [REDACTED] H Shares in issue upon [REDACTED] comprising (i) an aggregate of [REDACTED] H Shares to be converted from the Unlisted Shares and (ii) [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (without taking into account the H Shares which may be [REDACTED] upon the exercise of the [REDACTED]).
- (2) Mr. HUANG Yuesheng is the general partner of Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruihe and Jiujiang Ruida, which held 29,657,960 Unlisted Shares as of the Latest Practicable Date. By virtue of the SFO, Mr. HUANG Yuesheng is deemed to be interested in the Shares held by each of the above entities.
- (3) In December 2018, Mr. HUANG Yuesheng, Mr. HU Dingfei and Mr. YU Xiecai entered into an acting-in-concert agreement (“**Acting-in-Concert Agreement**”). For details of the Acting-in-Concert Agreement, please see the section headed “History, Development and Corporate Structure — Acting in Concert.” By virtue of the SFO, each of the Mr. HUANG Yuesheng, Mr. HU Dingfei and Mr. YU Xiecai are deemed to be interested in the Shares held by each other.

Save as otherwise disclosed herein, our Directors are not aware of any persons who will, immediately following the [REDACTED] and the Conversion of our Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised), have any interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon the [REDACTED], our Board will comprise nine Directors, including two executive Directors, four non-executive Directors, and three independent non-executive Directors. The following table sets forth the key information about our Directors.

Name	Age	Position	Date of joining our Group ⁽¹⁾	Date of appointment as Director	Roles and responsibilities
Executive Directors					
Mr. HUANG Yuesheng (黃岳升)	[61]	Executive Director and chairperson of the Board	May 7, 2010	June 14, 2011	Overall leadership, strategic direction and oversight of our Group’s governance, corporate vision and major policy decisions
Ms. JIN Yiqun (金毅群)	[55]	Executive Director and general manager	May 7, 2011	October 28, 2014	Strategic planning, overall management, and execution of our Group’s business operations and organizational development, and responsible for production quality and clinical operations management
Non-executive Directors					
Prof. LIU Yuling (劉玉玲)	[61]	Non-executive Director	May 26, 2020	May 26, 2020	Providing advice on our Group’s research, development and scientific innovation activities
Dr. WANG Xiaobin (王曉濱)	[59]	Non-executive Director	September 20, 2024	September 20, 2024	Providing advice on our Group’s corporate and business strategies
Mr. FANG Yueliang (方岳亮)	[62]	Non-executive Director	March 18, 2021	January 16, 2026	Providing advice on our Group’s corporate and business strategies
Mr. ZHANG Fangkun (張方堃)	[40]	Non-executive Director	October 20, 2025	October 20, 2025	Providing advice on our Group’s corporate and business strategies
Independent non-executive Directors					
Dr. PANG Wai Bing Cecilia (彭慧冰)	[70]	Independent non-executive Director	December 10, 2025	December 10, 2025	Providing independent advice on the operations and management of our Group
Dr. LI Li (李莉)	[63]	Independent non-executive Director	March 18, 2021	March 18, 2021	Providing independent advice on the operations and management of our Group
Ms. LYU Chunyan (呂春燕)	[61]	Independent non-executive Director	March 18, 2021	March 18, 2021	Providing independent advice on the operations and management of our Group

Note:

- (1) For our non-executive Directors and independent non-executive Directors, the “date of joining the Group” refers to the date of their respective appointment as Director, except for Mr. FANG Yueliang, who served as our supervisor from March 2021 to January 2026. Please refer to “— Directors” below in this section for details of the respective biographies of our Directors.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. HUANG Yuesheng (黃岳升), aged [61], is our executive Director and chairperson of the Board, primarily responsible for overall leadership, strategic direction and oversight of the Group’s governance, corporate vision and major policy decisions. With more than 25 years of experience in enterprise management and capital investment operations, Mr. HUANG joined our Group in May 2010 and has been serving as our Director since June 14, 2011. He also previously served as our general manager since June 14, 2011, until he was elected as our chairperson of the Board on October 28, 2014. Mr. HUANG was redesignated as an executive Director on January 26, 2026. Based on our Company’s development and strategic needs, Mr. HUANG led the establishment of Guangxi Wehand-Bio in August 2014, an API production and natural medicine conversion platform, where he has served as the chairperson of the board since its establishment. Other than his indispensable role in our Company, Mr. Huang has served as an executive director of Beijing Jiasilong Garment Manufacturing Co., Ltd. (北京嘉思龍服飾製造有限公司) from March 2000 to September 2021, and served as an executive director and the general manager at Beijing Jiasilong Garment Trademark Weaving Co., Ltd.* (北京嘉思龍服飾商標織造有限公司) since May 2005.

Since November 2022, Mr. HUANG has been serving as a member of the 4th Committee of the Pharmaceutical Innovation Investment Professional Committee (醫藥創新投資專業委員會) under the China Pharmaceutical Innovation Promotion Association (中國醫藥創新促進會). Since September 2022, he has served as a member of the 15th Executive Committee of the Beijing Federation of Industry and Commerce (北京市工商業聯合會). Mr. HUANG has been a member of the Zhongguancun Entrepreneurs Advisory Committee (中關村企業家顧問委員會) since November 2019; and was appointed as a specially-invited council member (4th session) of the Beijing Society of Bioengineering (北京生物工程學會). Mr. HUANG was awarded (i) “New National Gateway” Leading Talent of Daxing District, Beijing (北京大興區「新國門」領軍人才) in September 2024, (ii) Outstanding Entrepreneur of Guangxi province (廣西優秀企業家) in December 2024, and (iii) the honor of the 6th Outstanding Builder of Socialism with Chinese Characteristics in Guangxi Province (廣西第六屆優秀中國特色社會主義事業建設者) in November 2025.

Mr. HUANG obtained his Executive Master of Business Administration (EMBA) degree from Nankai University (南開大學) in June 2014 in the PRC.

Ms. JIN Yiqun (金毅群), aged [55], is our executive Director and general manager, primarily responsible for strategic planning, overall management and execution of our Group’s business operations and organizational development, and responsible for production quality and clinical operations management. Ms. JIN joined our Company in May 2011 and has been serving as a Director since October 2014. Ms. JIN was redesignated as an executive Director on January 26, 2026. Ms. JIN previously served as our general manager from October 28, 2014 to May 26, 2020, and was re-appointed as our general manager on May 8, 2025, and has retained her position to date.

Ms. JIN also acted as general manager of Guangxi Wehand-Bio from July 2014 to November 2023 and has been serving as an executive director and the legal representative of Beijing Wehand Dacheng since December 2023 and a director, legal representative and manager of Zhejiang Wehand-Bio since November 2024. Ms. JIN has also been serving as the head officer of ten branches of our Company since their establishment.

DIRECTORS AND SENIOR MANAGEMENT

Ms. JIN has over 30 years of experience in pharmaceutical R&D and corporate management. Prior to joining our Group, she served as a laboratory technician at Harbin Pharmaceutical Group Shiyitang Pharmaceutical Factory* (哈藥集團世一堂製藥廠) from August 1995 to February 1998. From March 1998 to March 2000, she worked as a quality assurance at Harbin Yizhou Pharmaceutical Co., Ltd.* (哈爾濱一洲製藥有限公司). From April 2000 to August 2001, she held the positions of testing workshop director, manager of materials department and director of the GMP Certification Office at Heilongjiang Jiren Pharmaceutical Co., Ltd.* (黑龍江濟仁藥業有限公司). From September 2001 to August 2009, she successively served as quality department manager, chief engineer and production technology plant manager at Harbin Children’s Pharmaceutical Factory Co., Ltd.* (哈爾濱兒童製藥廠有限公司). From April 2010 to November 2010, she served as deputy general manager of Harbin Peiqilong Biopharmaceutical Co., Ltd.* (哈爾濱沛奇隆生物製藥有限公司).

Ms. JIN obtained a bachelor’s degree of engineering in traditional Chinese medicine pharmaceutical from Heilongjiang University of Commerce (黑龍江商學院) in July 1995 in the PRC. She later obtained an executive master of business administration (EMBA) degree from East-northeast University of Finance and Economics (東北財經大學) in December 2018 in the PRC. In December 2025, she was recognized as a professor-level senior engineer (正高級工程師).

Ms. JIN has been serving as (i) a project review expert of the Beijing Municipal Science and Technology Commission (北京科學技術委員會) since March 2020, (ii) a council member of the Beijing Pharmaceutical Industry Association (北京醫藥行業協會) since August 2022, (iii) a member of Geriatric Pharmacy Committee (老年藥學專業委員會) under the Chinese Pharmaceutical Association (中國藥學會) since March 2025, and (iv) a member of the Innovation Translation and Clinical Development Committee (創新轉化與臨床開發專業委員會) under the China Pharmaceutical Innovation Promotion Association since October 2025. Ms. JIN was a deputy director of the Applied Pharmacology Professional Committee (應用藥理專業委員會) of the Beijing Pharmaceutical Association (北京藥學會) from July 2021 to July 2025. Ms. JIN became an off-campus professional practice supervisor for master’s-degree pharmacology students at Institute of Drug Research, Peking Union Medical College (北京協和醫學院) in May 2017, and later an off-campus professional practice supervisor for doctoral students in October 2025 in the IMM. Ms. JIN was awarded the Second Prize of the Science & Technology Award by the Chinese Pharmaceutical Association in November 2022 and the Second Prize of the Science & Technology Award from the Chinese Medical Association (中華醫學會) in January 2025. Ms. JIN was a delegate to the 13th National Women’s Congress (中國婦女第十三次全國代表大會), a recipient of the Beijing March 8th Red Banner Medal (北京市「三八」紅旗獎章), a Beijing Model Worker (北京市勞動模範), and a member of the 14th Beijing Municipal Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議北京市第十四屆委員會).

Non-executive Directors

Prof. LIU Yuling (劉玉玲), aged [61], has been serving as our Director since May 26, 2020 and was redesignated as a non-executive Director on January 26, 2026, primarily responsible for providing advice on our Group’s research, development and scientific innovation activities.

DIRECTORS AND SENIOR MANAGEMENT

Prof. LIU is a recognized expert in drug research. She has served in the IMM since 1986, successively as research fellow, supervisor for doctoral students and tenured professor. She is also the designated expert of the IMM who serves as the chief scientist of the scientist workstation, for details, please refer to “Business — Collaboration Arrangement — Collaboration with the IMM”. She has primarily engaged in the research on natural medicines, key technologies relating to DDSs and the research and development of original innovative drugs. She has presided over dozens of major national, provincial and ministerial-level research projects, and led more than 10 innovative drug research and commercialization projects.

Prof. LIU obtained her bachelor’s degree in pharmacy from School of Pharmacy, Fudan University (復旦大學藥學院) (then known as Shanghai Medical University (上海醫科大學)) in July 1986 in the PRC. She obtained an Executive Master of Business Administration (EMBA) degree from Tsinghua University (清華大學) in January 2013 in the PRC. In January 2019, Prof. LIU obtained her doctoral degree in pharmacology from Peking Union Medical College (北京協和醫學院) in the PRC.

Prof. LIU has served as an expert reviewer for the Drug Registration Review Centre of the National Medical Products Administration (國家藥監局藥品註冊評審中心) in 2017, and has also served as an expert reviewer of the Medical Device Registration Review Centre of the National Medical Products Administration (醫療器械技術審評專家諮詢委員會) since August 2018. She has served as a member of the Pharmaceuticals Committee of the Chinese Pharmaceutical Association (中國藥學會藥劑專業委員會) for three consecutive terms since May 2002, and a member of the Pharmacopoeia Commission (藥典委員會) for three consecutive terms since December 2007. She has been granted the Special Government Allowance of the State Council (國務院特殊津貼), selected as a member of the National-level Candidate of the New Century Talents Project (新世紀百千萬人才工程國家級人選). Prof. Liu was aware the 2nd National Innovation Pioneer Award (全國創新爭先獎) and recognized as the 9th National Young and Middle-aged Experts with Outstanding Contributions to Health (第九屆國家衛生健康突出貢獻中青年專家).

Dr. WANG Xiaobin (王曉濱), aged [59], has been serving as our Director since September 2024 and was redesignated as a non-executive Director on January 26, 2026. Dr. WANG is primarily responsible for providing advice on our Group’s corporate and business strategies.

Dr. WANG possesses over 20 years of extensive experience in corporate management and capital investment. Dr. WANG served as chairperson at Xiamen Gaoneng Investment Co., Ltd.* (廈門高能投資有限公司) since November 1999 and served as chairperson at Gaoneng Tianhui Venture Capital Co., Ltd.* (高能天匯創業投資有限公司) since January 2007. Dr. WANG served in Shanghai Gaoneng Investment Management Co., Ltd.* (上海高能投資管理有限公司) as its chairperson since its establishment to December 2022. Dr. WANG also has been serving as a director and the general manager at Strait Energy Industry Fund Management (Xiamen) Co., Ltd.* (海峽能源產業基金管理(廈門)有限公司) from August 2016 to September 2025. Prior to joining our Group, Dr. WANG served as the chairperson of Gem Flower Medical & Health Investment Holding Co., Ltd.* (寶石花醫療健康投資控股集團有限公司) from March 2017 to August 2017, and subsequently as executive vice chairperson of the same company from September 2017 to August 2022. Concurrently, she also served as the chairperson of Gem Flower Pharmaceutical Technology (Beijing) Co., Ltd.* (寶石花醫藥科技(北京)有限公司) from April 2017 to February 2023, and as the chairperson of Gem Flower Medical Management Co., Ltd.* (寶石花醫療管理有限公司) from June 2017 to August 2023.

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Dr. WANG obtained a bachelor’s degree in computer science from Xiamen University (廈門大學) in July 1988 in the PRC, where she also obtained a master’s degree in education in June 1991 and a doctoral degree in public finance in July 2002.

Mr. FANG Yueliang (方岳亮), aged [62], joined our Group in March 2021 and served as the chairman of the supervisory committee of our Company from March 2021 to January 2026. Mr. Fang has served as our Director since January 2026 and was redesignated as a non-executive Director on January 26, 2026, primarily responsible for providing advice on our Group’s corporate and business strategies.

During his extensive career in the chemical and pharmaceutical industry, Mr. FANG held various management and operational positions across various companies. Mr. FANG served (i) at Zhejiang Conba Pharmaceutical Co., Ltd. (浙江康恩貝製藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600572.SH), as director, Chief Financial Officer, and president from April 2005 to February 2007, (ii) at Conba Group Co., Ltd.* (康恩貝集團有限公司) as vice president from February 2007 to August 2012, and (iii) at Jinyuan Environmental Protection Co., Ltd.* (金圓環保股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000546.SZ), as general manager from September 2012 to April 2018 and chairperson from April 2018 to October 2019.

Apart from his directorship in our Group, Mr. Fang also holds the positions as (i) a partner of Hangzhou Huizhong Enterprise Management Partnership L.P.* (杭州匯中企業管理合夥企業(有限合夥)) from May 2019 to March 2022, (ii) a director of Hubei Monyan Pharmaceutical Co., Ltd.* (湖北夢陽藥業股份有限公司) since January 2022, and (iii) a partner of Hangzhou Lujing Enterprise Management Partnership L.P.* (杭州路徑企業管理合夥企業(有限合夥)) since May 2025.

Mr. FANG obtained a bachelor’s degree in agrochemical from Zhejiang University of Technology (浙江工業大學) in the PRC in July 1982, where he further obtained a master’s degree in chemical engineering in June 2005. Mr. FANG was certified as a Senior Engineer by Zhejiang Provincial Personnel Bureau (浙江省人事廳) in March 1996.

Mr. ZHANG Fangkun (張方堃), aged [40], has been serving as our Director since October 2025 and was redesignated as a non-executive Director on January 26, 2026. Mr. ZHANG is primarily responsible for providing advice on our Group’s corporate and business strategies.

Mr. ZHANG is an expert in finance management and investment. He has been serving as a investment director at Beijing Shunxi Private Equity Fund Management Co., Ltd.* (北京順禧私募基金管理有限公司) since July 2015. Prior to that, he served at Beijing Shunlong Private Bond Investment Fund Management Co., Ltd.* (北京順隆私募債券投資基金管理有限公司) from April 2014 to May 2015. From July 2010 to March 2014, Mr. ZHANG served as senior manager at Capital Securities Corporation Limited (首創證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601136.SH).

Mr. ZHANG obtained his bachelor’s degree in automatization from Huazhong University of Science and Technology (華科技大學) in June 2007 in the PRC, and his master’s degree in control science and engineering from Beijing University of Technology (北京工業大學) in June 2010 in the PRC.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Dr. PANG Wai Bing Cecilia (彭慧冰), aged [70], was appointed as our independent Director in December 2025, and was redesignated as an independent non-executive Director on January 26, 2026. Dr. PANG is primarily responsible for providing independent advice on the operations and management of our Group.

Dr. PANG has over 30 years of experience in research, development and management in the biotechnology industry. Dr. PANG previously served as (i) a scientist at ICI — Silenus Laboratories PTY Ltd. from October 1985 to March 1989, (ii) product specialist, marketing director and, general manager for the China region and vice president for business development in the Asia-Pacific region, consecutively, at Pharmacia Biotech (China) Ltd. from April 1989 to June 2002, (iii) director of biotechnology at Innovation and Technology Commission of Hong Kong SAR Government (香港特別行政區政府創新科技署) from July 2002 to December 2022. Other than her service in our Group, Dr. PANG is also an independent non-executive director of YNBY International Limited (雲白國際有限公司), a company listed on the Stock Exchange (stock code: 0030.HK), since November 2023.

Dr. PANG obtained her bachelor’s degree in science from University of Manitoba in Canada in May 1976. In April 1978, she obtained her bachelor’s degree (Honours) in science from Monash University in Australia, where she further obtained her doctoral degree in philosophy in October 1983. Dr. PANG was awarded the Bronze Bauhinia Star (銅紫荊星章) by Hong Kong SAR Government in July 2021.

Dr. LI Li (李莉), aged [63], was appointed as our independent Director in March 2021, and was redesignated as an independent non-executive Director on January 26, 2026. Dr. LI is primarily responsible for providing independent advice on the operations and management of our Group.

Dr. LI’s career began as an assistant lecturer and subsequently as a lecturer in the Department of Economics at Beijing Normal University (北京師範大學) from July 1985 to January 1987. She served as a lecturer at Tianjin University of Foreign Trade and Economics (天津對外經濟貿易學院) from January 1987 to December 1995 and has served at Business School of Nankai University (南開大學商學院) as professor since July 1995, where she taught advanced corporate finance and advanced financial statement analysis. Dr. LI’s primary research areas include corporate finance, financial analysis and securities investment and capital market analysis.

Other than her service in our Group, Dr. LI has been (i) an independent director and the chairperson of the audit committee of Tianjin TEDA Co., Ltd. (天津泰達股份有限公司) since May 2021, a company listed on the Shenzhen Stock Exchange (stock code: 000652.SZ), and (ii) an independent director of Tianjin Chase Sun Pharmaceutical Co., Ltd. (天津紅日藥業股份有限公司) since November 2020, a company listed on the Shenzhen Stock Exchange (stock code: 300026.SZ), where she has also been serving as the chairperson of the audit committee since December 2020. During her terms of office as the chairperson of the audit committee of the A-share listed companies, Dr. LI gained experience in reviewing and analyzing audited financial statements and governance of public companies.

Dr. LI obtained her bachelor’s degree in economics from Tianjin College of Finance and Economics (天津財經學院) (currently known as Tianjin University of Finance and Economics (天津財經大學)) in July 1985. In June 1992, she was awarded her master’s degree in economics,

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with a major in accounting, from Nankai University (南開大學), where she further obtained her doctoral degree in corporate management in December 2006. She was awarded the title of Professor by Nankai University in December 2003.

Ms. LYU Chunyan (呂春燕), aged [61], was appointed as our independent Director in March 2021 and was redesignated as an independent non-executive Director on January 26, 2026. Ms. LYU is primarily responsible for providing independent advice on the operations and management of our Group.

Ms. LYU has been serving as an associate professor at School of Economics and Management of Tsinghua University (清華大學經濟管理學院) since January 1993, with her scholarship in commercial law.

Ms. LYU obtained a bachelor’s degree in July 1986 and a master’s degree in July 1989 from the law school of Peking University (北京大學) in the PRC.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management and operation of our business. The following table sets forth information about members of our senior management.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of joining our Group</u>	<u>Date of appointment as a senior management</u>	<u>Roles and responsibilities</u>
Ms. JIN Yiqun (金毅群)	[55]	Executive Director and general manager	May 7, 2011	October 28, 2014 ⁽¹⁾	Strategic planning, overall management, and execution of our Group’s business operations and organizational development, and responsible for production quality and clinical operations management
Mr. WU Hongliang (吳宏亮)	[48]	Deputy general manager and finance director	November 27, 2020	November 27, 2020	Overall management of financial activities of our Group
Dr. LIU Zhihua (劉志華)	[40]	Deputy general manager	July 25, 2016	August 30, 2024	Overall management of new drug research and development, and industrial translation
Mr. NIU Juhui (牛巨輝)	[50]	Board secretary and deputy general manager	September 21, 2020	September 21, 2020	Overall management of our Group’s capital operations, corporate governance, and investor relations
Mr. GAO Hongwei (高宏偉)	[49]	Deputy general manager	March 16, 2021	March 16, 2021	Overall management of our Group’s marketing and sales team
Mr. YANG Jundong (楊俊東)	[54]	Deputy general manager	March 28, 2016	January 1, 2017	Strategy execution and overall management of our subsidiary in Guangxi province

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Note:

- (1) The first service period as general manager assumed by Ms. JIN was from October 28, 2014 to May 26, 2020. Ms. JIN was re-appointed as our general manager on May 8, 2025, and has retained her position to date.

Ms. JIN Yiqun (金毅群), aged [55], is our executive Director and general manager. See “— Directors — Executive Directors” above for her biographical details.

Mr. WU Hongliang (吳宏亮), aged [48], has been serving as our finance director since joining our Group in November 2020 as finance director and was further appointed as our deputy general manager in March 2021. Mr. WU is primarily responsible for overall management of financial activities of our Group.

Mr. WU served in the finance departments of various pharmaceutical companies before joining our Group. From 1999 to 2001, Mr. WU served at Shanxi Jinjing Pharmaceutical Co., Ltd.* (山西金晶藥業有限公司), acting as chief accountant and sales finance director. Mr. WU served at Shanxi Zhendong Pharmaceutical Co., Ltd.* (山西振東製藥股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300158.SZ), as chief accountant of planning and finance department from 2001 to 2003 and later as finance director from 2004 to August 2011. Mr. WU served as director, board secretary and finance director at Jumpcan Pharmaceutical Group Co., Ltd. (濟川藥業集團有限公司) since March 2013, during which he also held senior management position at Hubei Jumpcan Pharmaceutical Co., Ltd. (湖北濟川藥業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600566.SH), from March 2014 to November 2020 as finance director and from March 2014 to September 2018 as board secretary.

Mr. WU graduated from Shanxi University of Finance and Economics (山西財經大學) in June 1999 in the PRC with an associate degree majoring in accounting. In October 2021, Mr. WU was certified as senior accountant by Beijing Municipal Human Resources and Social Security Bureau. He is also a Certified Public Accountant (non-practicing member) licensed by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

Dr. LIU Zhihua (劉志華), aged [40], has been serving as our deputy general manager since August 2024. Dr. LIU joined our Group in July 2016 as a manager of R&D department. In June 2021, Dr. LIU was promoted to the senior director of the New Drug R&D Center of the Institute for Pharmaceutical Innovation, and also as the dean of the Institute for Pharmaceutical Innovation in August 2024. Dr. LIU is primarily responsible for overall management of our Group’s new drug research and development, and industrial translation.

Dr. LIU is a well proven pharmacologist (藥學專家) and scientist. He obtained a bachelor’s degree in pharmaceuticals from Shijiazhuang University (石家莊學院) in June 2009 in the PRC, a master’s degree in pharmaceuticals from Hebei Medical University (河北醫科大學) in July 2013 in the PRC and a doctoral degree in pharmaceuticals from Peking Union Medical College (北京協和醫學院) in July 2016 in the PRC. In October 2020, Dr. LIU was certified as a senior engineer. In November 2022, Dr. Liu was awarded the Second Prize of Beijing Science and Technology Progress Award and the Second Prize of Chinese Pharmaceutical Association Science and Technology Award (中國藥學會科學技術獎二等獎). In April 2024, Dr. LIU was awarded the National May 1 Labor Medal (全國五一勞動獎章). In July 2024, Dr. LIU was recognized as a Beijing Role Model (北京榜樣). And Dr. LIU was awarded the National Model Worker (全國勞動模範) in April 2025.

DIRECTORS AND SENIOR MANAGEMENT

Mr. NIU Juhui (牛巨輝), aged [50], joined our Group in September 2020 and has since then served as our Board secretary. He was further appointed as our deputy general manager in March 2021. Mr. NIU has also been appointed as our joint company secretary since January 21, 2026. Mr. NIU is primarily responsible for overall management of our Group’s capital operations, corporate governance, and investor relations.

Prior to joining our Group, Mr. NIU served (i) at China Resources Double-Crane Pharmaceutical Co., Ltd. (華潤雙鶴藥業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600062.SH), from August 2003 to July 2009, with his last position as deputy director of the board office and securities affairs representative, (ii) as senior securities manager at China Science Park Development (Group) Co., Ltd.* (北京科技園建設(集團)股份有限公司) from September 2009 to June 2010, (iii) as senior professional manager of the capital operation department at Zhongguancun Development Group Co., Ltd.* (中關村發展集團股份有限公司) from July 2010 to May 2012, (iv) at Beijing Lideman Biochemical Co., Ltd. (北京利德曼生化股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300289.SZ), from June 2012 to November 2016, with his last position as board secretary, (v) as deputy general manager, board secretary and finance director at Beijing Cunguangyin Technology Development Co., Ltd.* (北京寸光陰科技發展有限公司) from November 2016 to August 2017, and (vi) at Beijing Boomsense Technology Co., Ltd. (邦訊技術股份有限公司), a company previously listed on the Shenzhen Stock Exchange (former stock code: 300312.SZ) and delisted in June 2022, from August 2017 to September 2020, consecutively as deputy general manager and board secretary, and assistant to the chairperson and director of investment and strategy.

Mr. NIU obtained a bachelor’s degree in accounting from Shenyang University of Technology (瀋陽工業大學) in July 1999 in the PRC, where he obtained a master’s degree in accounting in April 2003. Mr. NIU was certified as Semi-senior Accountant by the Ministry of Personnel (人事部) and the Ministry of Finance (財政部) in May 2002.

Mr. GAO Hongwei (高宏偉), aged [49], joined our Group in March 2021 and has since then served as our deputy general manager, primarily responsible for the overall management of our Group’s marketing and sales team management.

Mr. GAO has extensive experience in the marketing management of life and health companies. From July 2005 to 2014, he served at Gan & Lee Pharmaceuticals Co., Ltd. (甘李藥業股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 603087.SH), successively as Hebei provincial regional manager, marketing director and deputy general manager. Mr. GAO also served at Shanghai Benemae Pharmaceutical Co., Ltd.* (上海仁會生物製藥股份有限公司) from May 2014 to March 2021, and held the position of deputy general manager from January 2018 until joining our Group in March 2021.

Mr. GAO obtained his bachelor’s degree in advertising from Hebei University (河北大學) in June 2000 in the PRC.

Mr. YANG Jundong (楊俊東), aged [54], joined our Group as quality director in March 2016 and was appointed as deputy general manager in January 2017. Mr. YANG also holds the position as general manager of Guangxi Wehand-Bio in our Group. Mr. YANG is primarily responsible for the strategy execution and overall management of our subsidiary in Guangxi province.

Prior to joining our Group, Mr. YANG served (i) as a technician at Additives Plant of Jihua Songbei Chemical Co., Ltd.* (吉化松北化工有限責任公司助劑廠) from July 1993 to May 2000, (ii) at Jilin Gankang Pharmaceutical Co., Ltd.* (吉林感康制藥有限公司) from 2001 to

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2002, (iii) as quality department manager at Beijing Beilu Pharmaceutical Co., Ltd.* (北京北陸藥業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300016.SZ), from March 2005 to June 2015, (iv) at Lepu Pharmaceutical (Beijing) Co., Ltd.* (樂普藥業(北京)有限責任公司) from September 2015 to November 2015, and (v) at Beijing Silians Pharmaceutical Co., Ltd.* (北京斯利安藥業有限公司) from December 2015 to March 2016.

Mr. YANG obtained a bachelor’s degree in industry analysis from Changchun College of Geology (長春地質學院) in July 1993 in the PRC.

GENERAL

Save as disclosed above, none of our Directors or senior management members had held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document.

As of the Latest Practicable Date, none of our Directors or members of the senior management of our Company was related to any other Directors and members of the senior management. As of the Latest Practicable Date, there was no additional matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

JOINT COMPANY SECRETARIES

Mr. NIU Juhui has been appointed as one of our joint company secretaries. See “— Senior Management” in this section for his biographical details.

Mr. CHENG King Yip (鄭璟燁), aged [37], has been appointed as one of our joint company secretaries. Mr. CHENG has extensive experience in company secretarial work, sustainability consulting and auditing, corporate governance consulting, and internal control assessment services. Mr. CHENG obtained his Bachelor of Business Administration (Honors), majoring in accounting and management information systems, from City University of Hong Kong (香港城市大學) in July 2010. He is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a certified ESG analyst. Mr. CHENG currently serves as a member of the Sustainability Committee of the HKICPA.

Mr. CHENG has been serving as a company secretary or joint company secretary in the companies listed on the Stock Exchange, including, (i) Skymission Group Holdings Limited (天任集團控股有限公司, stock code: 1429.HK) since September 2023, (ii) OOH Holdings Limited (奧傳思維控股有限公司, stock code: 8091.HK) since January 2025, (iii) Cloud Factory Technology Holdings Limited (雲工場科技控股有限公司, stock code: 2512.HK) since May 2025, and (iv) China Chengtong Development Group Limited (中國誠通發展集團有限公司, stock code: 217.HK) since September 2025. During the period from April 2025 to February 2026, Mr. CHENG was appointed as a company secretary and an authorised representative of Zhong Jia Guo Xin Holdings Company Limited (中加國信控股股份有限公司, stock code: 899.HK).

Mr. CHENG has also served (i) as independent non-executive director of Hua Lien International (Holding) Company Limited (華聯國際(控股)有限公司, stock code: 969.HK) since August 2025, (ii) as independent non-executive director of Summi (Group) Holdings

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Limited (森美(集團)控股有限公司, stock code: 756.HK) from July 2022 to September 2022, and (iii) as non-executive director of Cool Link (Holdings) Limited (stock code: 8491.HK) from February 2019 to January 2021.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

We have established four Board committees, namely the Audit Committee, the Strategy Committee, the Remuneration Committee, and the Nomination Committee.

Audit Committee

Our Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises Dr. LI Li, Mr. ZHANG Fangkun and Dr. PANG Wai Bing Cecilia, with Dr. LI as the chairperson. Based on Dr. LI’s education and experience in reviewing or analyzing audited financial statements and governance of public companies through her work experience in A-share listed companies and her academic research, she has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Strategy Committee

Our Board has established the Strategy Committee with written terms of reference in compliance with the Articles. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investment and projects of our Company. The Strategy Committee comprises Prof. LIU Yuling, Mr. HUANG Yuesheng, Dr. PANG Wai Bing Cecilia, Dr. WANG Xiaobin and Mr. FANG Yueliang, with Prof. LIU as the chairperson.

Remuneration Committee

Our Board has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The Remuneration Committee comprises Ms. LYU Chunyan, Dr. LI Li and Prof. LIU Yuling, with Ms. LYU as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises Mr. HUANG Yuesheng, Dr. PANG Wai Bing Cecilia and Ms. LYU Chunyan, with Mr. HUANG as the chairperson.

DIRECTORS AND SENIOR MANAGEMENT

Corporate Governance

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon [REDACTED].

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Our Board currently consists of six female and three male Directors ranging from 40 to 70 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to experience in pharmaceutical industry and expertise in pharmacy. They obtained degrees in various majors including pharmacy, law and corporate management. We consider that our Board has a balanced mix of skill-set, experience, expertise, and diversity which enhances decision-making capability and the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. Taking into account our existing business model and specific needs, as well as the diverse background of our Directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

KEY TERMS OF EMPLOYMENT CONTRACTS

We normally enter into a confidentiality, non-competition and intellectual property ownership agreement, in addition to an employment agreement, with each of our senior management members and other key personnel. Below sets forth the key terms of the confidentiality, non-competition and intellectual property ownership agreement contract we enter into with our senior management and other key personnel.

Confidentiality

The employee shall not disclose the Company’s confidential information, including but not limited to technical secrets, commercial secrets, and other proprietary information, to any third party, and shall also maintain the confidentiality of such information within the Company. Upon termination of employment (or at the Company’s request), the employee shall return (or, if required, destroy) any media or materials bearing or containing confidential information. The employee’s confidentiality obligations under the agreement shall also extend to any of the employee’s affiliates or related parties.

DIRECTORS AND SENIOR MANAGEMENT

Non-competition

For a period of two years following termination of employment, the employee shall be prohibited from directly or indirectly engaging in, or investing in, any business worldwide that competes with the Company. Such prohibition encompasses taking employment, serving as officer, director, partner, consultant or investor (other than passive minority shareholding under a de-minimis threshold) in any competing enterprise. In exchange for this restriction, we provide proportionate compensation during the restricted period as agreed in the contract.

Intellectual Property Ownership

Any intellectual property created by the employee during employment (or using the Company’s resources) and any related works created within one year after departure shall belong exclusively to the Company. If the employee claims any intellectual property to be a non-service creation, they must submit the claim for Company review, and the Company retains a right of first refusal to license, purchase or acquire for any non-service creation. The obligation also prohibits use of any third-party intellectual property that would infringe others’ rights. The employee undertakes not to use any confidential information, technical, commercial secret or intellectual property of his/her prior-employer.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Our Directors and senior management receive remuneration in the form of fees, salaries, bonuses, allowances and benefits in kind, equity-settled share-based payment expense, pension scheme contributions and social welfare. We determine the remuneration of our Directors and senior management based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors for the year ended December 31, 2024 and the nine months ended September 30, 2025 were RMB9.1 million and RMB3.6 million, respectively. None of our Directors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force at the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ended December 31, 2026 to be approximately RMB5.0 million. The actual remuneration of our Directors in 2026 may be different from the expected remuneration.

The five highest paid individuals of our Group for the year ended December 31, 2024 and the nine months ended September 30, 2025 included one and two Directors, respectively. During the same periods, the aggregate amount of remuneration of the five highest paid individuals including salaries, bonuses, allowances and benefits in kind, equity-settled share-based payment expense, pension scheme contributions were RMB14.4 million and RMB6.4 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former directors or the five highest paid individuals for the loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors or the five highest paid individuals in respect of the Track Record Period.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISOR

We have appointed Rainbow Capital (HK) Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will, amongst other things, advise our Company in the following circumstances:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and
- (d) where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or [REDACTED] volume of our [REDACTED] securities or any other matters under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of the appointment shall commence on the [REDACTED] and end on the date on which our Company distributes its annual report in respect of its financial results for the first full financial year commencing after the [REDACTED] and this appointment may be subject to extension by mutual agreement.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on February 8, 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of our Company, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

DIRECTORS AND SENIOR MANAGEMENT

Rule 8.10 of the Listing Rules

Each of our Directors confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these non-executive Directors may hold directorships from time to time.

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You should read the following discussion and analysis in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I to this document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs. You should read the entire Accountant’s Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider all of the information provided in this document.

OVERVIEW

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.

During the Track Record Period, we generated our revenue from sales of our commercialized product *Sangbo’en*. In 2024, we recorded revenue of RMB208.0 million. Our revenue increased by 27.9% from RMB162.1 million in the nine months ended September 30, 2024 to RMB207.3 million in the nine months ended September 30, 2025.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and results of operations have been and will continue to be affected by company-specific factors, which primarily include the following:

Our Ability to Successfully Develop Our Drug Candidates

The success of our business, financial condition and results of operations depends on our ability to advance our drug development programs, demonstrate satisfactory safety and efficacy in clinical trials, and obtain the necessary regulatory approvals. As of the Latest Practicable Date, our Core Products were in clinical stage. For details on the development status of our drug candidates, see “Business — Overview — Our Product Pipeline.” We expect that our business will continue to grow along with our ongoing investments in research and development to advance clinical-stage drug candidates and expand therapeutic indications, as well as our endeavors to develop additional drug candidates in the future.

Our Ability to Effectively Maintain Competitiveness of Our Commercialized Product in the Industry

Our ability to sustain and grow our business depends on the competitiveness of our commercialized product *Sangbo’en* and our capacity to maintain or expand its market presence. The pharmaceutical industry where we operate is evolving and competitive. We face competition from other pharmaceutical companies, and our products primarily compete with products that

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are indicated for similar conditions as our products on the basis of efficacy, safety, convenience, pricing and supply stability, which may affect customer procurement decisions and therefore affect the sales performance of *Sangbo'en*.

In 2024, we recorded revenue generated from sales of *Sangbo'en* of RMB208.0 million. Our revenue increased by 27.9% from RMB162.1 million in the nine months ended September 30, 2024 to RMB207.3 million in the nine months ended September 30, 2025. The robust sales performance of *Sangbo'en* benefited from our strong technical expertise, high product quality, and enhanced marketing and promotion efforts. The future performance of *Sangbo'en* will continue to depend on its ability to sustainably and effectively compete within the market.

Our Ability to Effectively Manage Our Cost Structure

Our results of operations are significantly affected by our cost structure. Our cost structure during the Track Record Period primarily consisted of cost of sales and operating expenses. Our cost of sales consists primarily of manufacturing costs, raw material costs and direct labor costs, the fluctuations in which may directly affect our gross profit margin. Our operating expenses include selling and distribution expenses, research and development costs, as well as administrative expenses. Selling and distribution expenses constituted a significant portion of our operating expenses during the Track Record Period, reflecting our continuous efforts in promoting and distributing *Sangbo'en* through our sales network across China.

As the clinical trials of our drug candidates continue to progress and as we continue to enrich our pipeline, our research and development costs will continue to increase in relation to preclinical studies and clinical trials, raw materials procurement, headcount expansion. At the same time, as we expand our market presence and scale up sales, we expect to continuously optimize our cost structure and improve gross profit margin by lowering the proportion of selling and distribution expenses and improving productivity.

Our Ability to Continuously Fund Our Operations

During the Track Record Period, we primarily funded our operations through a combination of cash generated from sales of *Sangbo'en*, equity and debt financing, and existing cash and cash equivalents. Going forward, as we continue to expand our business and advance the development and commercialization of our drug candidates, we expect to fund our operations primarily through cash generated from the sales of *Sangbo'en*, existing cash and cash equivalents, bank loans, and net [REDACTED] from the [REDACTED]. However, with the continuing growth of our business and expansion of our pipeline, additional funding may be required through public or private equity offerings, debt financing, or other sources. Any changes in our ability to secure adequate funding could impact our cash flow and overall financial performance.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). For ordinary shares issued to pre-[REDACTED] investors, pursuant to the supplemental agreements entered into between our Company and the pre-[REDACTED] Investors in relation to the termination of certain of special rights granted by our Company, including redemption rights, liquidation preferences and anti-dilution rights, which were void ab initio as described in Note 26 to the Accountants’ Report in Appendix I to this document, having taking into account the legal and regulatory framework of our Company’s jurisdiction and the governing law of the supplementary

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agreements, our Directors considered that it is appropriate to present the pre-[REDACTED] Investments as equity during the Track Record Period. For details of financial impacts, see Note 26 to the Accountants’ Report in Appendix I to this document.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our financial information. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. Our material accounting policy information, judgments and estimates, which are important for understanding our financial condition and results of operations, are set out in further details in Note 2.3 and Note 3 to the Accountants’ Report in Appendix I to this document.

NON-IFRS MEASURES

To supplement our historical financial information, which is presented in accordance with IFRS Accounting Standards, we also use adjusted net loss (non-IFRS measure) and adjusted net EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. We believe such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items.

We believe such non-IFRS measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures have limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net loss (non-IFRS measure) as loss for the year/period adjusted by adding back [REDACTED] and share-based payment expenses. We exclude such items in adjusted net loss (non-IFRS measure) primarily because (i) [REDACTED] are expenses related to the [REDACTED], and (ii) share-based payment expenses are non-cash in nature and represent the employee benefit expenses incurred in connection with our award to management and key employees. We define adjusted EBITDA (non-IFRS measure) as adjusted net loss (non-IFRS measure) adding back income tax expenses, interest costs, depreciation and amortization, and less interest income under other income and gains. The adjustments had been consistently made during the Track Record Period.

	Year ended December 31, 2024 <i>RMB'000</i>	Nine months ended September 30, 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Loss for the year/period	(109,518)	(67,426)	(45,717)
Add:			
Share-based payment expenses	20,708	16,985	6,508
[REDACTED]	—	—	[REDACTED]
Adjusted net loss (non-IFRS measure)	(88,810)	(50,441)	(36,854)

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	Year ended December 31, 2024 <i>RMB'000</i>	Nine months ended September 30, 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Add:			
Income tax expenses	572	561	326
Interest costs	10,540	8,074	6,220
Depreciation	22,989	17,392	16,433
Amortization	11,943	8,952	8,900
Less:			
Interest income	1,602	1,296	1,276
Adjusted EBITDA (non-IFRS measure)	(44,368)	(16,758)	(6,251)

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the periods indicated:

	Year ended December 31, 2024 <i>RMB'000</i>	(%)	Nine months ended September 30, 2024 <i>RMB'000</i>	(%)	2025 <i>RMB'000</i>	(%)
			<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Revenue	207,953	100.0	162,075	100.0	207,333	100.0
Cost of sales	(57,969)	(27.9)	(45,659)	(28.2)	(53,667)	(25.9)
Gross profit	149,984	72.1	116,416	71.8	153,666	74.1
Other income and gains	16,172	7.8	9,143	5.6	10,068	4.9
Selling and distribution expenses	(148,046)	(71.2)	(99,932)	(61.7)	(125,742)	(60.6)
Administrative expenses	(54,397)	(26.2)	(43,437)	(26.8)	(34,297)	(16.5)
Research and development costs	(58,010)	(27.9)	(38,260)	(23.6)	(41,486)	(20.0)
(Impairment losses)/reversal of impairment losses on financial assets, net	(1,275)	(0.6)	(312)	(0.2)	926	0.4
Other expenses	(2,834)	(1.4)	(2,409)	(1.5)	(2,306)	(1.1)
Finance costs	(10,540)	(5.1)	(8,074)	(5.0)	(6,220)	(3.0)
Loss before tax	(108,946)	(52.4)	(66,865)	(41.3)	(45,391)	(21.9)
Income tax expense	(572)	(0.3)	(561)	(0.3)	(326)	(0.2)
Loss and total comprehensive loss for the year/period	(109,518)	(52.7)	(67,426)	(41.6)	(45,717)	(22.1)

Revenue

During the Track Record Period, we generated our revenue from sales of *Sangbo'en*. Our revenue increased by 27.9% from RMB162.1 million in the nine months ended September 30, 2024 to RMB207.3 million in the nine months ended September 30, 2025, primarily attributable to an increase in the sales volume of *Sangbo'en* as a result of expansion of our customer base.

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Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of our total cost of sales, for the periods indicated:

	Year ended December 31,		Nine months ended September 30,			
	2024		2024		2025	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Manufacturing costs	38,495	66.4	30,708	67.3	34,243	63.8
Raw material costs	12,816	22.1	9,632	21.1	13,493	25.1
Direct labor costs	6,658	11.5	5,319	11.6	5,931	11.1
Total	57,969	100.0	45,659	100.0	53,667	100.0

Our cost of sales increased by 17.5% from RMB45.7 million in the nine months ended September 30, 2024 to RMB53.7 million in the nine months ended September 30, 2025, in line with sales of *Sangbo'en* in the same period.

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB150.0 million in 2024, and our gross profit margin for the year was 72.1%. Our gross profit increased by 32.0% from RMB116.4 million in the nine months ended September 30, 2024 to RMB153.7 million in the nine months ended September 30, 2025, in line with sales of *Sangbo'en* in the same period. Our gross profit margin increased from 71.8% in the nine months ended September 30, 2024 to 74.1% in the nine months ended September 30, 2025, primarily due to a decrease in the average unit costs as we progressively benefited from economies of scale.

Other Income and Gains

Our other income primarily consists of (i) government grants by local governments mainly to support our research and development activities and business operation, (ii) bank interest income, (iii) additional deduction for input value-added tax (“VAT”), and (iv) others. Our gains primarily consist of (i) fair value gains on financial assets at fair value through profit or loss, and (ii) gain on disposal of financial assets at fair value through profit or loss.

The following table sets forth a breakdown of our other income and gains, both in absolute amounts and as percentages of our total other income and gains for the periods indicated:

	Year ended December 31,		Nine months ended September 30,			
	2024		2024		2025	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Other income						
Government grants	12,251	75.8	6,087	66.6	7,608	75.6
Bank interest income	1,602	9.9	1,296	14.2	1,276	12.7
Additional deduction for input VAT	1,168	7.2	850	9.3	676	6.7
Others	1,099	6.8	910	9.9	380	3.7
Total other income	16,120	99.7	9,143	100.0	9,940	98.7

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	Year ended		Nine months ended September 30,			
	December 31,		2024		2025	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Gains						
Fair value gains on financial assets at fair value through profit or loss	52	0.3	—	—	—	—
Gain on disposal of financial assets at fair value through profit or loss	—	—	—	—	128	1.3
Total gains	52	0.3	—	—	128	1.3
Total	16,172	100.0	9,143	100.0	10,068	100.0

Our other income and gains increased by 10.1% from RMB9.1 million in the nine months ended September 30, 2024 to RMB10.1 million in the nine months ended September 30, 2025, primarily due to an increase in government grants subsidized by local governments in connection with our research and development activities.

Selling and Distribution Expenses

The table below sets forth a breakdown of our selling and distribution expenses, both in absolute amounts and as percentages of our total selling and distribution expenses for the periods indicated:

	Year ended		Nine months ended September 30,			
	December 31,		2024		2025	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Marketing expenses	83,053	56.1	50,817	50.9	88,854	70.7
Staff costs	60,488	40.9	46,288	46.3	34,631	27.5
Travelling and office expenses	3,923	2.6	2,433	2.4	2,012	1.6
Others	582	0.4	394	0.4	245	0.2
Total	148,046	100.0	99,932	100.0	125,742	100.0

Our selling and distribution expenses increased by 25.8% from RMB99.9 million in the nine months ended September 30, 2024 to RMB125.7 million in the nine months ended September 30, 2025, primarily due to an increase in marketing expenses as a result of expanded sales coverage and enhanced academic promotion activities.

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Administrative Expenses

The table below sets forth a breakdown of our administrative expenses, both in absolute amounts and as percentages of our total administrative expenses for the periods indicated:

	Year ended December 31,		Nine months ended September 30,			
	2024		2024		2025	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Staff costs	37,987	69.8	30,758	70.8	20,078	58.5
Taxes and surcharges	2,081	3.8	1,494	3.4	3,450	10.1
Travelling and office expenses	4,667	8.6	3,963	9.1	3,279	9.6
Depreciation and amortization	4,427	8.1	3,369	7.8	3,163	9.2
Professional service fees	3,422	6.3	2,418	5.6	2,998	8.7
Others	1,813	3.4	1,435	3.3	1,329	3.9
Total	54,397	100.0	43,437	100.0	34,297	100.0

Our administrative expenses decreased by 21.0% from RMB43.4 million in the nine months ended September 30, 2024 to RMB34.3 million in the nine months ended September 30, 2025, primarily due to a decrease in staff costs as we recorded less share-based compensation following the completion of amortization of certain share-based compensation upon expiration of the relevant vesting periods.

Research and Development Costs

Our research and development costs represent 22.3%, 21.1% and 20.6% of our total operating expenses in 2024 and the nine months ended September 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our research and development costs, both in absolute amounts and as percentages of our total research and development costs for the periods indicated:

	Year ended December 31,		Nine months ended September 30,			
	2024		2024		2025	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Staff costs	23,156	39.9	16,929	44.3	16,848	40.6
Clinical trial and technical service expenses	17,456	30.1	8,776	22.9	12,538	30.2
Raw materials costs	4,063	7.0	3,182	8.3	3,795	9.1
Depreciation and amortization	5,079	8.8	4,031	10.5	3,710	9.0
Others	8,256	14.2	5,342	14.0	4,595	11.1
Total	58,010	100.0	38,260	100.0	41,486	100.0

Our research and development costs increased by 8.4% from RMB38.3 million in the nine months ended September 30, 2024 to RMB41.5 million in the nine months ended September 30, 2025, primarily due to an increase in clinical trial and technical service expenses for our Core Products.

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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.

During the Track Record Period, all our research and development costs were expensed and not capitalized. We expect our research and development costs to grow along with advancement of our clinical programs and continued research and development of our preclinical and future drug candidates.

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

We recorded net impairment losses on financial assets of RMB1.3 million in 2024. Our net impairment losses on financial assets of RMB0.3 million in the nine months ended September 30, 2024 changed to net reversal of impairment losses on financial assets of RMB0.9 million in the nine months ended September 30, 2025, primarily due to changes in aging profile.

Other Expenses

Our other expenses primarily consist of (i) donation expenses, representing our annual donation to the Beijing Natural Science Foundation Committee Office for its fundamental studies, and (ii) others.

The following table sets forth a breakdown of our other expenses by nature, both in absolute amounts and as percentages of our total other expenses for the periods indicated:

	Year ended December 31, 2024		Nine months ended September 30,			
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Donation expenses	2,228	78.6	2,228	92.5	2,020	87.6
Others	606	21.4	181	7.5	286	12.4
Total	2,834	100.0	2,409	100.0	2,306	100.0

Our other expenses was RMB2.8 million in 2024. Our other expenses remained relatively stable in the nine months ended September 30, 2024 and 2025.

Finance Costs

The following table sets out a breakdown of our finance costs, both in absolute amounts and as percentages of our total finance costs for the periods indicated:

	Year ended December 31, 2024		Nine months ended September 30,			
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
			(Unaudited)		(Unaudited)	
Interest on bank and other borrowings	10,176	96.5	7,749	96.0	6,142	98.7
Interest on other payables and accruals	266	2.5	252	3.1	—	—
Interest on lease liabilities	98	1.0	73	0.9	78	1.3
Total	10,540	100.0	8,074	100.0	6,220	100.0

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Our finance costs decreased by 23.0% from RMB8.1 million in the nine months ended September 30, 2024 to RMB6.2 million in the nine months ended September 30, 2025, primarily due to a decline in interest on bank and other borrowings in line with (i) a decrease in the balance of bank borrowings, and (ii) lower bank borrowings interest rate within the same period.

Income Tax Expense

Under the EIT, and Implementation Regulation of the EIT Law, the EIT rate of our PRC subsidiaries was 25% during the Track Record Period. Our Company and our subsidiary Guangxi Wehand-Bio were accredited as the “High and New Technology Enterprise” (“HNTe”) during the Track Record Period and entitled to a preferential tax rate of 15%.

We recorded income tax expense of RMB0.6 million, RMB0.6 million and RMB0.3 million in 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our income tax expense decreased from RMB0.6 million in the nine months ended September 30, 2024 to RMB0.3 million in the nine months ended September 30, 2025.

Our effective tax rates in 2024 and the nine months ended September 30, 2024 and 2025, calculated as our income tax expense divided by our loss before taxation, were –0.5%, –0.8% and –0.7%, respectively.

During the Track Record Period and up to the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no dispute or unresolved tax issue with the relevant tax authorities.

Loss and Total Comprehensive Loss for the Year/Period

As a result of the foregoing, we recorded loss and total comprehensive loss for the year of RMB109.5 million in 2024 and our loss and total comprehensive loss for the period decreased from RMB67.4 million in the nine months ended September 30, 2024 to RMB45.7 million in the nine months ended September 30, 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

During the Track Record Period, we primarily funded our operations through a combination of cash generated from sales of *Sangbo'en*, equity and debt financing, and existing cash and cash equivalents. We expect that our cash needs in the near future will primarily relate to progressing the development of our drug candidates towards receiving regulatory approval and commencing commercialization, expanding our drug candidate portfolio, as well as the marketing and promotion of *Sangbo'en*. Our management closely monitors uses of cash and cash balances and strives to maintain healthy liquidity for our operations. Going forward, we expect our liquidity requirements will be satisfied by a combination of cash generated from the sales of *Sangbo'en*, existing cash and cash equivalents, bank loans, and net [REDACTED] from the [REDACTED]. With the continuing growth of our business and expansion of our pipeline, additional funding may be required through equity financing or other sources.

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Cash Flows Analysis

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,	Nine months ended September 30,	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Net cash flow used in operating activities	(87,057)	(64,924)	(22,531)
Net cash flow used in investing activities	(101,454)	(29,990)	(9,725)
Net cash flow from/(used in) financing activities	155,910	(2,734)	83,064
Net (decrease)/increase in cash and cash equivalents	(32,601)	(97,648)	50,808
Cash and cash equivalents at beginning of the year/period	144,048	144,048	111,447
Cash and cash equivalents at end of year/period	111,447	46,400	162,255

Operating Activities

In the nine months ended September 30, 2025, our net cash flow used in operating activities amounted to RMB22.5 million, primarily due to our loss before tax of RMB45.4 million, as adjusted for (i) non-cash or non-operating items such as depreciation of property, plant and equipment of RMB15.8 million, amortization of intangible assets of RMB8.9 million, and equity-settled share-based payment expenses of RMB6.5 million; (ii) effects of movement in working capital such as an increase in inventories of RMB9.8 million and an increase in trade receivables of RMB7.9 million; and (iii) other cash items such as interest received of RMB0.5 million.

In 2024, our net cash flow used in operating activities amounted to RMB87.1 million, primarily due to our loss before tax of RMB108.9 million, as adjusted for (i) non-cash or non-operating items such as depreciation of property, plant and equipment of RMB22.1 million, equity-settled share-based payment expenses of RMB20.7 million, and amortization of intangible assets of RMB11.9 million; (ii) effects of movement in working capital such as an increase in inventories of RMB40.5 million and an increase in trade receivables of RMB16.5 million; and (iii) other cash items such as interest received of RMB1.6 million.

Investing Activities

In the nine months ended September 30, 2025, our net cash used in investing activities amounted to RMB9.7 million, which primarily resulted from (i) purchases of items of property, plant and equipment of RMB15.7 million, and (ii) purchases of time deposit of RMB10.0 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB15.2 million.

In 2024, our net cash used in investing activities amounted to RMB101.5 million, which primarily resulted from (i) purchases of time deposit of RMB55.0 million, (ii) purchases of items of property, plant and equipment of RMB31.4 million, and (iii) purchases of financial assets at fair value through profit or loss of RMB15.0 million.

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Financing Activities

In the nine months ended September 30, 2025, our net cash generated from financing activities amounted to RMB83.1 million, which primarily resulted from (i) proceeds from issue of shares of RMB100.0 million, and (ii) new bank and other borrowings of RMB45.0 million, partially offset by (i) repayment of bank and other borrowings of RMB56.5 million, and (ii) interest paid of RMB5.0 million.

In 2024, our net cash generated from financing activities amounted to RMB155.9 million, which primarily resulted from (i) proceeds from issue of shares of RMB180.0 million, and (ii) new bank and other borrowings of RMB186.1 million, partially offset by (i) repayment of bank and other borrowings of RMB194.2 million, and (ii) interest paid of RMB8.5 million.

Working Capital Confirmation

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In view of our net operating cash outflows in the nine months ended September 30, 2025, we plan to improve such position by (i) continuously increasing the market share of our commercialized product; (ii) continuously advancing our pipeline products towards commercialization to generate revenue from product sales; (iii) adopting comprehensive measures to effectively control our costs and operating expenses and enhancing working capital management efficiency; and (iv) successfully launching the [REDACTED] to obtain net [REDACTED].

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditure and lease payments. We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million in the [REDACTED], based on an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED]. Assuming an average cash burn rate going forward of 1.0 time the level in the nine months ended September 30, 2025, which is HK\$[REDACTED] per month, we estimate that (i) our cash and cash equivalents on hand as of September 30, 2025 will be able to maintain our financial viability for 38 months from September 30, 2025, (ii) or if we take into account all estimated net [REDACTED] from the [REDACTED], [REDACTED]. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing at least 12 months after the completion of the [REDACTED].

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including revenue generated from sales of *Sangbo'en*, cash and cash equivalents, cash flows from financing activities, estimated net [REDACTED] from the [REDACTED] and cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs (including any production costs) and research and development costs for at least the next 12 months from the date of this document.

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Cash Operating Costs

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

	Year Ended December 31,	Nine Months Ended September 30,	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
Costs relating to research and development of our Core Products			
Clinical trial and technical service expenses	8,443	6,975	5,763
Staff costs	13,807	10,906	11,106
Raw materials costs	3,722	2,547	2,997
Others	4,627	3,791	2,332
Subtotal	30,599	24,219	22,198
Costs relating to research and development of our other drug candidates			
Clinical trial and technical service expenses	10,303	6,575	13,447
Staff costs	3,871	2,714	3,990
Raw materials costs	1,902	1,136	780
Others	1,297	944	838
Subtotal	17,373	11,369	19,055
Other costs			
Workforce employment costs ⁽¹⁾	95,085	71,846	63,018
Product marketing costs ⁽²⁾	89,157	66,397	99,115
Direct production costs ⁽³⁾	56,199	39,087	43,416
Total other costs	240,441	177,330	205,549
Total cash operating costs	288,413	212,918	246,802

Notes:

- (1) Mainly included salaries and benefits for non-R&D employees.
- (2) Mainly included marketing expenses, travelling and office expenses.
- (3) Mainly included raw materials consumed directly in production and other production costs.

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SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

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

	<u>As of</u> December 31, 2024 <i>RMB'000</i>	<u>As of</u> September 30, 2025 <i>RMB'000</i> <i>(Unaudited)</i>	<u>As of</u> January 31, 2026 <i>RMB'000</i> <i>(Unaudited)</i>
Current assets			
Inventories	102,416	112,824	125,381
Trade receivables	45,962	54,840	68,581
Prepayments, other receivables and other assets	4,763	7,776	15,399
Financial assets at fair value through profit or loss	15,052	—	—
Cash and cash equivalents	111,447	162,255	74,305
Time deposits	—	5,000	22,000
Total current assets	279,640	342,695	305,666
Current liabilities			
Trade payables	8,636	3,728	7,423
Other payables and accruals	108,243	90,355	99,989
Interest-bearing bank and other borrowings	120,782	138,959	126,884
Lease liabilities	—	1,078	1,096
Contract liabilities	6,175	1,208	33
Tax payable	—	166	—
Total current liabilities	243,836	235,494	235,425
NET CURRENT ASSETS	35,804	107,201	70,241

Our net current assets increased from RMB35.8 million as of December 31, 2024 to RMB107.2 million as of September 30, 2025, primarily due to (i) an increase in cash and cash equivalents, (ii) a decrease in other payables and accruals, and (iii) an increase in inventories, partially offset by an increase in interest-bearing bank and other borrowings.

Our net current assets decreased by 34.5% from RMB107.2 million as of September 30, 2025 to RMB70.2 million as of January 31, 2026, primarily due to a decrease in cash and cash equivalents as a result of repayment of interest-bearing bank and other borrowings.

Inventories

Our inventories primarily consist of (i) raw materials, (ii) work in progress, primarily including SZ-A, and (iii) finished goods. The following table sets forth the details of our inventories as of the dates indicated:

	<u>As of</u> December 31, 2024 <i>RMB'000</i>	<u>As of</u> September 30, 2025 <i>RMB'000</i> <i>(Unaudited)</i>
Raw materials	11,196	8,787
Work in progress	80,647	100,115
Finished goods	10,578	3,932
Subtotal	102,421	112,834

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	<u>As of</u> <u>December 31,</u> <u>2024</u> <i>RMB'000</i>	<u>As of</u> <u>September 30,</u> <u>2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
Less: Provision for inventories	(5)	(10)
Total	<u>102,416</u>	<u>112,824</u>

Our inventories increased by 10.2% from RMB102.4 million as of December 31, 2024 to RMB112.8 million as of September 30, 2025, mainly due to an increase in work in progress, primarily attributable to our strategic build-up of SZ-A in anticipation of future sales growth of *Sangbo'en*, in order to reduce unit cost of SZ-A.

The following table sets forth the aging analysis of our inventories as of the dates indicated.

	<u>As of</u> <u>December 31,</u> <u>2024</u> <i>RMB'000</i>	<u>As of</u> <u>September 30,</u> <u>2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
Within one year	98,493	79,619
One to two years	3,842	32,769
Over two years	81	436
Total	<u>102,416</u>	<u>112,824</u>

As of January 31, 2026, approximately RMB32.2 million, or 28.5% of our total inventories as of September 30, 2025, had been subsequently utilized or sold.

Trade Receivables

The balance of our trade receivables mainly represented receivables from customers for sales of *Sangbo'en*. The table below sets forth the details of our trade receivables as of the dates indicated:

	<u>As of</u> <u>December 31,</u> <u>2024</u> <i>RMB'000</i>	<u>As of</u> <u>September 30,</u> <u>2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
Trade receivables	47,027	54,965
Impairment	(1,065)	(125)
Total	<u>45,962</u>	<u>54,840</u>

Our trade receivables increased by 19.3% from RMB46.0 million as of December 31, 2024 to RMB54.8 million as of September 30, 2025, primarily due to the increase in sales volume of *Sangbo'en*.

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The following table sets forth an aging analysis of the trade receivables as of the dates indicated:

	<u>As of</u> <u>December 31,</u> <u>2024</u> <i>RMB'000</i>	<u>As of</u> <u>September 30,</u> <u>2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
Within three months	38,173	54,278
Three to six months	5,186	562
Six to nine months	2,603	—
Total	<u>45,962</u>	<u>54,840</u>

During the Track Record Period, we did not experience any significant losses associated with our trade receivables and the increase in our trade receivables did not have any material adverse impact on our liquidity or cash flows.

As of January 31, 2026, approximately RMB54.9 million, or 99.9% of our total trade receivables as of September 30, 2025, had been settled.

Prepayments, Other Receivables and Other Assets — Current

Our current portion of prepayments, other receivables and other assets primarily consist of (i) prepayments, representing advances to R&D suppliers and raw material suppliers, (ii) deposits and other receivables, representing petty cash to employees, and (iii) others. The following table sets forth the breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	<u>As of</u> <u>December 31,</u> <u>2024</u> <i>RMB'000</i>	<u>As of</u> <u>September 30,</u> <u>2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
Prepayments	2,218	3,312
Deposits and other receivables	2,283	3,434
Others	799	1,581
Impairment allowance	(537)	(551)
Total	<u>4,763</u>	<u>7,776</u>

Our current portion of prepayments, other receivables and other assets increased by 63.3% from RMB4.8 million as of December 31, 2024 to RMB7.8 million as of September 30, 2025, primarily attributable to (i) an increase in deposits and other receivables as a result of the increased petty cash to employees, and (ii) an increase in prepayments as a result of the increased advances to suppliers in connection with our R&D and production activities.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss represent the structured deposits subscribed by us. In accordance with our risk management and investment strategy, we manage and evaluate the performance of these investments on a fair value basis and therefore these investments are designated as financial assets at fair value through profit or loss.

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Our financial assets at fair value through profit or loss amounted to RMB15.1 million as of December 31, 2024, and we did not record any financial assets at fair value through profit or loss as of September 30, 2025, primarily due to the maturity of structured deposit products that we purchased in 2024.

Trade Payables

Our trade payables mainly represent the outstanding balances due to our suppliers for raw materials. Our trade payables decreased by 56.8% from RMB8.6 million as of December 31, 2024 to RMB3.7 million as of September 30, 2025, primarily because in 2025 we paid trade payables resulting from the seasonal acquisition of mulberry twigs at the end of 2024.

Our Directors confirm that we did not have any material defaults in payment of trade payables during the Track Record Period and up to the Latest Practicable Date.

As of January 31, 2026, approximately RMB3.5 million, or 94.7% of our total trade payables as of September 30, 2025, had been settled.

Other Payables and Accruals — Current

The table below sets forth the breakdown our current portion of other payables and accruals as of the dates indicated:

	<u>As of</u> <u>December 31,</u> <u>2024</u> <i>RMB'000</i>	<u>As of</u> <u>September 30,</u> <u>2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
Capital received in advance	30,000	—
Accrued expenses	25,897	20,203
Payable for property, plant and equipment	10,242	6,169
Refundable government grants	—	23,000
Payroll payable	14,502	11,241
Other tax payables	725	4,279
Others	<u>26,877</u>	<u>25,463</u>
Total	<u>108,243</u>	<u>90,355</u>

Our other payables and accruals decreased by 16.5% from RMB108.2 million as of December 31, 2024 to RMB90.4 million as of September 30, 2025, primarily attributable to a decrease in capital received in advance as the investment fund we received at the end of 2024 was recognized as equity in 2025.

Our Directors confirm that we did not have any material defaults in payment of other payables and accruals during the Track Record Period and up to the Latest Practicable Date.

As of January 31, 2026, approximately RMB43.0 million, or 47.6% of our total other payables and accruals as of September 30, 2025, had been settled.

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Contract Liabilities

Our contract liabilities mainly represent the sales rebates we have accrued, which represent sale proceeds received from customers before delivery of products. Our contract liabilities decreased from RMB6.2 million as of December 31, 2024 to RMB1.2 million as of September 30, 2025, primarily due to the accrual of sales rebates for *Sangbo'en* at the end of 2024 as a result of the pricing adjustments in accordance with the national medical insurance policies.

Non-current Assets/Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated:

	<u>As of December 31, 2024</u> <i>RMB'000</i>	<u>As of September 30, 2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
NON-CURRENT ASSETS		
Property, plant and equipment	254,612	250,142
Right-of-use assets	30,759	30,088
Intangible assets	53,323	44,423
Deferred tax assets	3,234	3,074
Prepayments, other receivables and other assets	1,809	2,089
Time deposits	55,000	60,000
Total non-current assets	398,737	389,816
NON-CURRENT LIABILITIES		
Other payables and accruals	45,668	46,348
Interest-bearing bank and other borrowings	102,204	73,609
Lease liabilities	1,990	990
Total non-current liabilities	149,862	120,947
Net assets	284,679	376,070

Property, Plant and Equipment

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	<u>As of December 31, 2024</u> <i>RMB'000</i>	<u>As of September 30, 2025</u> <i>RMB'000</i> <i>(Unaudited)</i>
Buildings	157,863	153,454
Machinery	61,535	56,237
Electronic and office equipment	2,243	1,830
Motor vehicles	801	596
Construction in progress	32,170	38,025
Total	254,612	250,142

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Our property, plant and equipment remained relatively stable at RMB254.6 million as of December 31, 2024 and RMB250.1 million as of September 30, 2025.

Right-of-use Assets

Our right-of-use assets represent our leasehold land. Our right-of-use assets remained relatively stable at RMB30.8 million as of December 31, 2024 and RMB30.1 million as of September 30, 2025.

Intangible Assets

The following table sets forth the breakdown of our intangible assets as of the dates indicated:

	As of December 31, 2024	As of September 30, 2025
	<i>RMB'000</i>	<i>RMB'000 (Unaudited)</i>
Non-patent technology	42,741	36,537
Patents and trademarks	10,293	7,693
Software	289	193
Total	53,323	44,423

Our intangible assets decreased by 16.7% from RMB53.3 million as of December 31, 2024 to RMB44.4 million as of September 30, 2025, primarily due to amortization of non-patent technology and patents and trademarks.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31, 2024	As of September 30, 2025	As of January 31, 2026
	<i>RMB'000</i>	<i>RMB'000 (Unaudited)</i>	<i>RMB'000 (Unaudited)</i>
Current			
Interest-bearing bank and other borrowings	120,782	138,959	126,884
Lease liabilities	—	1,078	1,096
Non-current			
Interest-bearing bank and other borrowings	102,204	73,609	36,179
Lease liabilities	1,990	990	1,007
Total	224,976	214,636	165,166

Interest-bearing bank and other borrowings

During the Track Record Period, our interest-bearing bank and other borrowings consisted of both secured and unsecured bank loans, carrying an interest rate of from 1.90% to 5.39% per annum. All of our interest-bearing bank and other borrowings were denominated in Renminbi and comprised both fixed-rate and floating-rate borrowings. Our interest-bearing

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bank and other borrowings remained relatively stable at RMB223.0 million as of December 31, 2024 and RMB212.6 million as of September 30, 2025. We recorded interest-bearing bank and other borrowings of RMB163.1 million as of January 31, 2026. For maturity analysis and other details of our interest-bearing bank and other borrowings, see Note 23 to the Accountants’ Report set out in Appendix I to this document.

As of January 31, 2026, we had unutilized banking facilities of RMB227.0 million.

Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenant during the Track Record Period and up to the date of this document.

Lease Liabilities

Our lease liabilities are in relation to properties that we leased for our business operations. Our lease liabilities remained relatively stable as of December 31, 2024 and 2025. We recorded lease liabilities of RMB2.1 million as of January 31, 2026. For details of our lease liabilities, see Note 14 to the Accountants’ Report set out in Appendix I to this document. For maturity analysis of lease liabilities during the Track Record Period, see Note 35 of Accountants’ Report set out in Appendix I to this document.

Except as discussed above, we did not have material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of January 31, 2026. Our Directors confirm that there had been no material adverse change in our indebtedness since January 31, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

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

CAPITAL EXPENDITURE

During the Track Record Period, we incurred capital expenditures of RMB31.5 million and RMB15.7 million in 2024 and the nine months ended September 30, 2025, respectively, representing our purchases of items of property, plant and equipment and purchases of intangible assets in order to enhance our research and development capabilities and expand our business operations, upgrade our facilities and increase our operating efficiency. We expect to fund our future capital expenditures mainly through a combination of cash generated from the sales of *Sangbo’en*, existing cash and cash equivalents, bank loans, and net [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED]” in this document for details. We may adjust our capital expenditures for any given period according to our ongoing business needs and in light of market conditions or other factors we believe appropriate.

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CAPITAL COMMITMENTS

We had the following capital commitments as of the dates indicated:

	As of December 31, 2024 <i>RMB'000</i>	As of September 30, 2025 <i>RMB'000</i> (Unaudited)
Property, plant and equipment	16,328	13,613

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other relevant commitments. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging with us.

RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time. Certain related parties of the Group have provided guarantees in connection with our bank borrowings up to RMB166.8 million and RMB157.1 million as of December 31, 2024 and September 30, 2025, respectively. See Note 32 to the Accountants' Report in Appendix I to this document for more details. Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distinct our results of operations or make our historical results not reflective of our future performance.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period and up to the date of this document. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [REDACTED] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future distribution of dividends will be subject to approval by our shareholders' meeting and may be based on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant as appropriate. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in

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accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK\$[REDACTED], representing [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming the [REDACTED] are not exercised and based on the [REDACTED] of HK\$[REDACTED]). We estimate the [REDACTED] to consist of (i) approximately HK\$[REDACTED] in [REDACTED] related fees, and (ii) approximately HK\$[REDACTED] in non-[REDACTED] fees, which consist of (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. During the Track Record Period, [REDACTED] of approximately HK\$[REDACTED] was charged to our consolidated income statements and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. After the Track Record Period, approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of or for the year ended December 31, 2024	As of or for the nine months ended September 30, 2025
Gross profit margin ⁽¹⁾ (%)	72.1	74.1
Asset-liability ratio ⁽²⁾ (%)	58.0	48.7

Notes:

- (1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.
- (2) Asset-liability ratio was calculated dividing total liabilities by total assets as of the dates indicated and multiplied by 100%.

FINANCIAL RISKS DISCLOSURE

Interest Rate Risk

We are primarily exposed to the risk of changes in market interest rates relate primarily to our long-term debt obligations with a floating interest rate.

Credit Risk

We are exposed to credit risk in relation to our cash and cash equivalents, trade receivables and financial assets included in prepayments, other receivables and other assets. The carrying amounts of each class of the above financial assets represent our Group’s maximum exposure to

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credit risk in relation to financial assets. We trade mainly with recognized and creditworthy third parties. In addition, receivable balances are monitored on an on-going basis and our exposure to bad debts is not significant.

Liquidity Risk

In the management of our liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to finance the operations and mitigate the effects of fluctuations in cash flows.

UNAUDITED [REDACTED] ADJUSTED COMBINED NET TANGIBLE ASSETS

See the Unaudited [REDACTED] Financial Information in Appendix II to this document for details.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we did not have any distributable reserves.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document there had been no material adverse change in our financial, operational or prospects since September 30, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please see “Business — Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] stated in this document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED], after deducting [REDACTED] and estimated expenses paid and payable by us in connection with the [REDACTED].

In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for the research, development and commercialization of our Core Products:

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for research, development and commercialization of WH007. In particular:
 - (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to fund the planned Phase II clinical trial of WH007 which is expected to commence in 2026 and complete by 2027. See “Business — Our Core Products — WH007, PCOS Indication — Clinical Development Plan” for details. The [REDACTED] will primarily be used for clinical site initiation and management, clinical data management and statistical analysis, and other trial-related expenses.
 - (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to fund the planned Phase III clinical trial of WH007 which is expected to commence in 2028.
 - (iii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to fund the planned IIT of WH007 which is expected to commence in 2028.
 - (iv) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to prepare for the anticipated commercial launch of WH007. Subject to communications with regulatory authorities and obtaining marketing approvals, we expect to launch WH007 in China in 2031. The [REDACTED] will primarily be used for market research, branding and marketing strategy development, academic promotion activities, channel preparation and other commercialization-related expenses.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for research, development and commercialization of WH006. In particular:
 - (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to fund the ongoing Phase II clinical trial of WH006 which was initiated in 2025 and is expected to be completed by 2027. See “Business — Our Core Products — WH006, Obesity Indication — Clinical Development Plan” for details.
 - (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to fund the planned Phase III clinical trial of WH006 which is expected to commence in 2028.
 - (iii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to prepare for the anticipated commercial launch of WH006. Subject to communications with regulatory authorities and obtaining marketing approvals, we expect to launch WH006 in China in 2032.
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for the research, development and commercialization of WH002. In particular:
 - (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to fund the planned Phase III clinical trial of WH002 which is expected to commence in 2026 and complete in 2029. See “Business — Our Core Products — WH002, Neoadjuvant Treatment for Breast Cancer — Clinical Development Plan” for details.
 - (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to prepare for the anticipated commercial launch of WH002. Subject to communications with regulatory authorities and obtaining marketing approvals, we expect to launch WH002 in China in 2030.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to enhance our overall production capacity. See “Business — Manufacturing — Expansion Plan” for details. In particular:

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to expand our Beijing SZ-A tablets production line. In particular:
 - (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for project design and implementation, including facility renovation and decoration in compliance with GMP standards.
 - (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for the procurement of intelligent machineries, instruments and equipment for intelligent material handling and transfer, including wet granulation mixers, tablet presses and automated integrated packaging lines.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to expand our Guangxi SZ-A API production line. In particular:
 - (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to fund the project design and implementation, including construction of production workshops and supporting facilities, as well as related fire protection, power supply and wastewater treatment infrastructure, and facility decoration in compliance with GMP standard.
 - (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for the procurement of intelligent machineries, intelligent warehousing and logistics transfer, instruments and equipment for extraction, purification, and separation.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate purposes.

If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high-end of the [REDACTED], the [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low-end of the [REDACTED], the [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED]. The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis or according to our business needs in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the [REDACTED] stated in this document. Any additional [REDACTED] received by us from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro-rata basis.

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED].

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[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING WEHAND-BIO PHARMACEUTICAL CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED**Introduction**

We report on the historical financial information of Beijing Wehand-Bio Pharmaceutical Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [I-4] to [I-78], which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year ended 31 December 2024 (the “Relevant Period”), and the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [I-4] to [I-78] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

APPENDIX I

ACCOUNTANTS’ REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of the financial performance and cash flows of the Group for the Relevant Period in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the nine months ended 30 September 2024 and 2025, and the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2025 and other explanatory information (the “Interim Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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APPENDIX I**ACCOUNTANTS’ REPORT**

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Period and the nine months ended 30 September 2025.

Certified Public Accountants
Hong Kong
[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Period, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	Nine months ended 30 September	
	Notes	2024	2024	2025
		RMB'000	RMB'000	RMB'000
			(unaudited)	(unaudited)
REVENUE	5	207,953	162,075	207,333
Cost of sales		<u>(57,969)</u>	<u>(45,659)</u>	<u>(53,667)</u>
Gross profit		149,984	116,416	153,666
Other income and gains	5	16,172	9,143	10,068
Selling and distribution expenses		(148,046)	(99,932)	(125,742)
Administrative expenses		(54,397)	(43,437)	(34,297)
Research and development costs		(58,010)	(38,260)	(41,486)
(Impairment losses)/reversal of impairment losses on financial assets, net		(1,275)	(312)	926
Other expenses		(2,834)	(2,409)	(2,306)
Finance costs	7	<u>(10,540)</u>	<u>(8,074)</u>	<u>(6,220)</u>
LOSS BEFORE TAX	6	(108,946)	(66,865)	(45,391)
Income tax expense	10	<u>(572)</u>	<u>(561)</u>	<u>(326)</u>
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		<u>(109,518)</u>	<u>(67,426)</u>	<u>(45,717)</u>
Attributable to:				
Owners of the parent		<u>(109,518)</u>	<u>(67,426)</u>	<u>(45,717)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)				
— For loss for the year/period	12	<u>(0.91)</u>	<u>(0.56)</u>	<u>(0.37)</u>

For the details of Pre-[REDACTED] Investments, please refer to note 26 to this report.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		<u>31 December</u>	<u>30 September</u>
	<i>Notes</i>	<u>2024</u>	<u>2025</u>
		<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>13</i>	254,612	250,142
Right-of-use assets	<i>14(a)</i>	30,759	30,088
Intangible assets	<i>15</i>	53,323	44,423
Deferred tax assets	<i>25</i>	3,234	3,074
Prepayments, other receivables and other assets	<i>18</i>	1,809	2,089
Time deposits	<i>20</i>	<u>55,000</u>	<u>60,000</u>
Total non-current assets		<u>398,737</u>	<u>389,816</u>
CURRENT ASSETS			
Inventories	<i>16</i>	102,416	112,824
Trade receivables	<i>17</i>	45,962	54,840
Prepayments, other receivables and other assets	<i>18</i>	4,763	7,776
Financial assets at fair value through profit or loss	<i>19</i>	15,052	—
Cash and cash equivalents	<i>20</i>	111,447	162,255
Time deposits	<i>20</i>	<u>—</u>	<u>5,000</u>
Total current assets		<u>279,640</u>	<u>342,695</u>
CURRENT LIABILITIES			
Trade payables	<i>21</i>	8,636	3,728
Other payables and accruals	<i>22</i>	108,243	90,355
Interest-bearing bank and other borrowings	<i>23</i>	120,782	138,959
Lease liabilities	<i>14(b)</i>	—	1,078
Contract liabilities	<i>24</i>	6,175	1,208
Tax payable		<u>—</u>	<u>166</u>
Total current liabilities		<u>243,836</u>	<u>235,494</u>
NET CURRENT ASSETS		<u>35,804</u>	<u>107,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>434,541</u>	<u>497,017</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	<i>Notes</i>	<u>31 December</u> <u>2024</u> <i>RMB'000</i>	<u>30 September</u> <u>2025</u> <i>RMB'000</i> <i>(unaudited)</i>
NON-CURRENT LIABILITIES			
Other payables and accruals	22	45,668	46,348
Interest-bearing bank and other borrowings	23	102,204	73,609
Lease liabilities	14(b)	<u>1,990</u>	<u>990</u>
Total non-current liabilities		<u>149,862</u>	<u>120,947</u>
Net assets		<u>284,679</u>	<u>376,070</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	124,177	125,130
Reserves	27	<u>160,502</u>	<u>250,940</u>
Total equity		<u>284,679</u>	<u>376,070</u>

For the details of Pre-[REDACTED] Investments, please refer to note 26 to this report.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
	<i>RMB'000</i> (note 26)	<i>RMB'000</i> (note 27)	<i>RMB'000</i> (note 28)	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	119,411	414,015	211,727	(522,507)	222,646
Loss and total comprehensive loss for the year	—	—	—	(109,518)	(109,518)
Issue of shares	4,766	145,234	—	—	150,000
Recognition of equity-settled share-based payments	—	—	21,551	—	21,551
At 31 December 2024	<u>124,177</u>	<u>559,249*</u>	<u>233,278*</u>	<u>(632,025)*</u>	<u>284,679</u>

Nine months ended 30 September 2024

	Attributable to owners of the parent				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
	<i>RMB'000</i> (note 26)	<i>RMB'000</i> (note 27)	<i>RMB'000</i> (note 28)	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	119,411	414,015	211,727	(522,507)	222,646
Loss and total comprehensive loss for the period (unaudited)	—	—	—	(67,426)	(67,426)
Recognition of equity-settled share-based payments (unaudited)	—	—	17,626	—	17,626
At 30 September 2024 (unaudited)	<u>119,411</u>	<u>414,015</u>	<u>229,353</u>	<u>(589,933)</u>	<u>172,846</u>

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

Nine months ended 30 September 2025

	Attributable to owners of the parent				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
	<i>RMB'000</i> (note 26)	<i>RMB'000</i> (note 27)	<i>RMB'000</i> (note 28)	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	124,177	559,249*	233,278*	(632,025)*	284,679
Loss and total comprehensive loss for the period (unaudited)	—	—	—	(45,717)	(45,717)
Issue of shares (unaudited)	953	129,047	—	—	130,000
Recognition of equity-settled share-based payments (unaudited)	—	—	7,108	—	7,108
At 30 September 2025 (unaudited)	<u>125,130</u>	<u>688,296*</u>	<u>240,386*</u>	<u>(677,742)*</u>	<u>376,070</u>

* These reserve accounts comprised the consolidated reserves of RMB160,502,000 and RMB250,940,000 in the consolidated statements of financial position as at 31 December 2024 and 30 September 2025, respectively.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December	Nine months ended 30 September	
	Notes	2024	2024	2025
		RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Loss before tax		(108,946)	(66,865)	(45,391)
Adjustments for:				
Finance costs	7	10,540	8,074	6,220
Interest income	5	(1,602)	(1,296)	(1,276)
Loss on disposal of items of property, plant and equipment, net	6	330	13	44
Depreciation of property, plant and equipment	6	22,096	16,721	15,762
Depreciation of right-of-use assets	6	893	671	671
Amortisation of intangible assets	6	11,943	8,952	8,900
Impairment losses/(reversal of impairment losses) on financial assets, net	6	1,275	312	(926)
Impairment of inventories	6	144	131	40
Fair value gains on financial assets at fair value through profit or loss	6	(52)	—	—
Gain on disposal of financial assets at fair value through profit or loss	6	—	—	(128)
Equity-settled share-based payment expenses	6	20,708	16,985	6,508
		(42,671)	(16,302)	(9,576)
Increase in inventories		(40,468)	(23,650)	(9,848)
Increase in trade receivables		(16,456)	(19,676)	(7,938)
Decrease/(increase) in prepayments, other receivables and other assets		4,964	(769)	(2,449)
Increase/(decrease) in trade payables		2,284	(36)	(4,908)
(Decrease)/increase in other payables and accruals		(1,032)	(5,604)	16,664
Increase/(decrease) in contract liabilities		4,731	(183)	(4,967)
Cash used in operations		(88,648)	(66,220)	(23,022)
Interest received		1,591	1,296	491
Net cash flows used in operating activities		(87,057)	(64,924)	(22,531)

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

<i>Notes</i>	Year ended 31 December	Nine months ended 30 September	
	2024 <i>RMB’000</i>	2024 <i>RMB’000</i> (unaudited)	2025 <i>RMB’000</i> (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	(31,377)	(24,902)	(15,692)
Purchases of intangible assets	(88)	(88)	—
Purchases of financial assets at fair value through profit or loss	(15,000)	—	—
Purchases of time deposit	(55,000)	(5,000)	(10,000)
Proceeds from disposal of items of property, plant and equipment	—	—	2
Proceeds from disposal of financial assets at fair value through profit or loss	—	—	15,180
Interest received from time deposits	11	—	785
Net cash flows used in investing activities	(101,454)	(29,990)	(9,725)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	180,000	—	100,000
New bank and other borrowings	186,135	105,636	44,954
Repayment of bank and other borrowings	(194,208)	(101,950)	(56,500)
Payment of deferred consideration for acquisition of intangible assets	(7,500)	—	—
Interest paid	(8,517)	(6,420)	(5,014)
Payment of [REDACTED]	—	—	[REDACTED]
Net cash flows from/(used in) financing activities	155,910	(2,734)	83,064
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year/period	(32,601)	(97,648)	50,808
	144,048	144,048	111,447
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD			
	111,447	46,400	162,255

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	31 December 2024 <i>RMB’000</i>	30 September 2025 <i>RMB’000</i> <i>(unaudited)</i>
NON-CURRENT ASSETS			
Property, plant and equipment	13	105,437	110,379
Right-of-use assets	14(a)	10,818	10,598
Intangible assets	15	29,766	24,273
Investments in subsidiaries	1	87,000	88,000
Prepayments, other receivables and other assets	18	1,809	2,089
Time deposits	20	55,000	60,000
Total non-current assets		289,830	295,339
CURRENT ASSETS			
Inventories	16	73,856	50,101
Trade receivables	17	45,957	54,839
Prepayments, other receivables and other assets	18	18,195	5,026
Financial assets at fair value through profit or loss	19	15,052	—
Cash and cash equivalents	20	73,963	147,309
Time deposits	20	—	5,000
Total current assets		227,023	262,275
CURRENT LIABILITIES			
Trade payables	21	463	334
Other payables and accruals	22	87,910	66,321
Interest-bearing bank and other borrowings	23	94,499	102,517
Contract liabilities	24	6,175	1,208
Total current liabilities		189,047	170,380
NET CURRENT ASSETS		37,976	91,895
TOTAL ASSETS LESS CURRENT LIABILITIES		327,806	387,234
NON-CURRENT LIABILITIES			
Other payables and accruals	22	16,911	16,104
Interest-bearing bank and other borrowings	23	45,046	25,175
Total non-current liabilities		61,957	41,279
Net assets		265,849	345,955
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	124,177	125,130
Reserves	27	141,672	220,825
Total equity		265,849	345,955

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ACCOUNTANTS’ REPORT

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Beijing Wehand-Bio Pharmaceutical Co., Ltd. (the “Company”) was registered in the People’s Republic of China (the “PRC”) on 7 May 2010 as a limited liability company under the Company Law of the PRC. The registered office of the Company is located at No.30 Tianfu Street, Daxing Biomedicine Industrial Base, Zhongguancun Science Park, Beijing, China. The Company was converted from a limited liability company to a joint-stock company on 30 March 2021.

During the Relevant Period and the nine months ended 30 September 2025, the Group were principally engaged in the research, industrialization and commercialisation of innovative drugs.

As at 30 September 2025, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Notes	Place and date of registration and place of operations	Nominal value of registered share capital	Percentage of equity directly attributable to the Company		Principal activities
				Direct	Indirect	
Guangxi Wehand-Bio Pharmaceutical Co., Ltd. (“廣西五和博澳藥業有限公司”)* (“Guangxi Wehand-Bio”)	(a)	PRC/Chinese Mainland 20 August, 2014	RMB70,000,000	100%	—	Pharmaceutical technology development, plant extraction, and production operations
Beijing Wehand Dacheng Pharmaceutical Technology Co., Ltd. (“北京五和大誠醫藥科技有限公司”)*	(a)	PRC/Chinese Mainland 20 December, 2023	RMB10,000,000	100%	—	Medical research and experimental development
Zhejiang Wehand-Bio Pharmaceutical Technology Co., Ltd. (“浙江五和博澳醫藥科技有限公司”)*	(b)	PRC/Chinese Mainland 12 November, 2024	RMB10,000,000	100%	—	Technology development and marketing
Macau Wehand-Bio Pharmaceutical Co., Ltd. (“澳門五和博澳製藥有限公司”)	(b)	Macau 16 April, 2025	MOP1,000,000	80%	20%	Research, development, production, and sales of pharmaceuticals and health products

* The English name of the subsidiary registered in the PRC represents the best efforts made by management of the Company to directly translate its Chinese name as it did not register any official English name.

Notes:

- (a) The statutory financial statements of these entities for the year ended 31 December 2024 were audited by Zhongde Liqin (Beijing) Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC.
- (b) No audited financial statements have been prepared for these entities for the year ended 31 December 2024.

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The carrying amounts of the Company’s investments in subsidiaries are as follows:

	As at 31 December 2024 <i>RMB’000</i>	As at 30 September 2025 <i>RMB’000</i> <i>(unaudited)</i>
Investments, at cost	87,000	88,000

2.1 BASIS OF PREPARATION

For ordinary shares issued to Pre-[REDACTED] investors, pursuant to the supplemental agreements entered into between the Company and the Pre-[REDACTED] Investors in relation to the termination of certain of special rights granted by the Company, including redemption rights, liquidation preference rights and anti-dilution rights, which were void ab initio as described in note 26 to this report, having taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Relevant Period and the nine months ended 30 September 2025. For the details of financial impacts, see note 26 of this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board.

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information and the unaudited Interim Financial Information throughout the Relevant Period and the nine months ended 30 September 2025.

The Historical Financial Information has been prepared under the historical cost convention except for financial assets at fair value through profit or loss which have been measured at fair value.

Basis of consolidation

The Historical Financial Information and the unaudited Interim Financial Information include the financial statements of the Company and its subsidiaries for the Relevant Period and the nine months ended 30 September 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and any non-controlling interest, and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
Annual Improvements to IFRS Accounting Standards — Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. Except for IFRS 18, the Group considers that these standards will not have a significant impact on the Group’s financial performance and financial position. IFRS 18 replaces IAS 1 Presentation of Financial Statements and introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flow disclosure in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s consolidated financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	—	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person

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- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Categories	Principal annual rates
Buildings	3.80%
Machinery	9.50% to 19.00%
Electronic and office equipment	19.00% to 19.60%
Motor vehicles	19.00% to 19.60%

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Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment or intangible assets when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 10 years. The estimated useful life of 3 to 10 years for software is determined by considering the period of the economic benefits to the Group as well as by referring to the industry practice.

Patents and trademarks

Purchased patents and trademarks are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 2 to 20 years.

Non-patent technology

Non-patent technology is stated at cost less any impairment losses and are generally amortised on the straight-line basis over their estimated useful lives of 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development.

Product development expenditure which does not meet the above criteria is expensed when incurred.

Development expenditure related to the Group’s innovative drug named WH001 Sangzhi Alkaloid Tablets (the “*Sangbo’en*”) indicated for type 2 diabetes, had met the above criteria at the point when the Group got the approval of Phase III clinical trials from the National Medical Products Administration of China and was capitalised as non-patent technology in intangible assets (note 15).

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

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Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 to 50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

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Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

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Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity’s own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade payables, interest-bearing bank and other borrowings, and financial liabilities included in other payables and accruals.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

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For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for “Financial liabilities” above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

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The Group is mainly engaged in the sale of innovative drugs. Revenue from the sale of innovative drugs is recognised at the point in time when control of the products is transferred to the customer, generally on delivery of the innovative drugs.

Some contracts for the sale of innovative drugs provide customers with rights of return and early settlement rebates, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(ii) Early settlement rebates

Retrospective early settlement rebates are provided to certain customers once the customers could early settle their receivable balances to the Group at a specific date. As the credit period granted to customers is generally within 90 days, the Group has assessed that the arrangement does not contain a significant financing component. Accordingly, such rebates are accounted for as variable consideration and are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used. The above method that best predicts the amount of variable consideration is primarily driven by the historical settlement pattern of the customers. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

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Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Share-based payments

The Company operates share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”) through employee incentive platforms established by the Group. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined with reference to the valuation of recent Pre-[REDACTED] Investments, further details of which are given in note 28 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules and practice of the central pension scheme.

Housing fund

The Company and the Group’s subsidiaries which operate in Chinese Mainland contribute on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Company and these subsidiaries are expensed as incurred.

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Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders of the Company in a general meeting.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the method to estimate variable consideration and assessing the constraint for the sale of innovative drugs

Certain contracts for the sale of innovative drugs include a right of return and early settlement rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of innovative drugs with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of innovative drugs with early settlement rebates, the Group determined that using a the most likely amount method is appropriate. When it is highly probable that the income corresponding to the relevant consideration will not be significantly reversed, the uncertainty of the variable consideration is eliminated and the variable consideration will be included in the transaction price. At the end of each reporting period, the Group will re-evaluate the probability of the payment of the variable consideration, and if necessary, adjust the estimation of the overall transaction price.

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Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Research and development expenses

All research expenses are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development expenses in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Company.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in note 25 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Variable consideration for returns and early settlement rebates

The Group estimates variable consideration to be included in the transaction price for the sale of innovative drugs with rights of return and early settlement rebates.

The Group has developed a statistical model for forecasting sales return. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group’s expected early settlement rebates are analysed on a per customer basis. Determining whether a customer will likely be entitled to a rebate depends on the customer’s historical rebate entitlement.

The Group updates its assessment of expected returns and early settlement rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and early settlement rebates are sensitive to changes in circumstances and the Group’s past experience regarding returns and rebate entitlements may not be representative of customers’ actual returns and rebate entitlements in the future.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group’s historical observed default rates. The Group calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customers’ actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 17 to the Historical Financial Information.

Fair value measurement of share-based payments

The Group has set up a share award scheme and granted restricted ordinary shares to the Group’s employees. The fair values of the restricted shares are determined by the most recent transaction model at the grant dates. Further details are included in note 28 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and has only one reportable operating segment. Management monitors the operating results of the Group’s operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

As the Group generated all of its revenues in the Chinese Mainland and its non-current assets were located in the Chinese Mainland during the Relevant Period and the nine months ended 30 September 2025, no geographical information is presented.

Information about major customers

Revenue from the major customers (aggregated if under common control) which amounted to 10% or more of the Group’s revenue during the Relevant Period and the nine months ended 30 September 2024 and 2025 is set out below:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB’000	RMB’000	RMB’000
		(unaudited)	(unaudited)
Customer A	91,391	71,995	87,784
Customer B	40,316	32,472	35,375
Customer C	24,371	17,768	23,492
Total	156,078	122,235	146,651

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5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue from contracts with customers	207,953	162,075	207,333

During the Relevant Period and the nine months ended 30 September 2024 and 2025, the Group’s revenue was generated exclusively from the sale of its commercialised product, *Sangbo’en*.

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Types of goods			
Sale of commercialised product	207,953	162,075	207,333
Timing of revenue recognition			
At a point in time	207,953	162,075	207,333

The following table shows the amounts of revenue recognised during the Relevant Period and the nine months ended 30 September 2024 and 2025 that were included in the contract liabilities at the beginning of each of the Relevant Period and the nine months ended 30 September 2024 and 2025 and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the year/period:			
Sale of commercialised product	1,444	1,444	6,175

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(b) Performance obligations

Information about the Group’s performance obligations is summarised below:

Sale of commercialised product

The performance obligation is satisfied upon delivery of the commercialised product, payment is generally due within 30 to 90 days from the date of billing.

During the Relevant Period and the nine months ended 30 September 2024 and 2025, no transaction price was allocated to the remaining performance obligations.

An analysis of other income and gains is as follows:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB’000	RMB’000	RMB’000
		(unaudited)	(unaudited)
Other income			
Government grants*	12,251	6,087	7,608
Bank interest income	1,602	1,296	1,276
Additional deduction for input VAT	1,168	850	676
Income from sales of scrap materials	591	591	148
Others	508	319	232
Total other income	16,120	9,143	9,940
Gains			
Fair value gains on financial assets at fair value through profit or loss	52	—	—
Gain on disposal of financial assets at fair value through profit or loss	—	—	128
Total gains	52	—	128
Total other income and gains	16,172	9,143	10,068

* Government grants have been received from the PRC local government authorities to support the Group’s research and development activities, and compensate for the Group’s pharmaceutical production related expenditure. There are no unfulfilled conditions related to these government grants.

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6. LOSS BEFORE TAX

The Group’s loss before tax is arrived at after charging/(crediting):

		Year ended 31 December	Nine months ended 30 September	
	Notes	2024	2024	2025
		RMB’000	RMB’000	RMB’000
			(unaudited)	(unaudited)
Cost of inventories sold		57,825	45,528	53,627
Depreciation of property, plant and equipment*	13	22,096	16,721	15,762
Depreciation of right-of-use assets*	14(a)	893	671	671
Amortisation of intangible assets*	15	11,943	8,952	8,900
Research and development costs		58,010	38,260	41,486
Lease payments not included in the measurement of lease liabilities	14(c)	361	169	225
[REDACTED]	30	—	—	[REDACTED]
Employee benefit expense (including directors’, chief executive’s and supervisors’ remuneration as set out in note 8):				
Wages, salaries and allowances		113,423	85,006	71,822
Pension scheme contributions		8,949	6,366	6,365
Share-based payment expenses**	28	20,708	16,985	6,508
Total		294,208	218,658	207,721
Bank interest income	5	(1,602)	(1,296)	(1,276)
Government grants	5	(12,251)	(6,087)	(7,608)
Fair value gains on financial assets at fair value through profit or loss	5	(52)	—	—
Gain on disposal of financial assets at fair value through profit or loss	5	—	—	(128)
Loss on disposal of items of property, plant and equipment		330	13	44
Impairment losses/(reversal of impairment losses) on financial assets, net		1,275	312	(926)
Write-down of inventories to net realisable value		144	131	40

* The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets for the Relevant Period and the nine months ended 30 September 2024 and 2025 are included in “cost of sales”, “selling and distribution expenses”, “administrative expenses” and “research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.

** Share-based payment expenses for the Relevant Period and the nine months ended 30 September 2024 and 2025 are included in “cost of sales”, “selling and distribution expenses”, “administrative expenses” and “research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.

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7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Interest on bank and other borrowings	10,176	7,749	6,142
Interest on other payables and accruals	266	252	—
Interest on lease liabilities (note 14(c))	98	73	78
Total	10,540	8,074	6,220

For the details of Pre-[REDACTED] Investments, please refer to note 26 to this report.

8. DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVE’S REMUNERATION

The remuneration of the directors, supervisors and chief executive as recorded is set out below:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Fees	278	203	225
Other emoluments:			
Salaries, bonuses, allowances and benefits in kind	3,623	2,379	2,071
Equity-settled share-based payment expense	7,718	7,474	2,483
Pension scheme contributions	277	207	136
Subtotal	11,618	10,060	4,690
Total	11,896	10,263	4,915

(a) Independent directors

The fees paid to independent directors during the Relevant Period and the nine months ended 30 September 2024 and 2025 are as follows:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Mr. Zhang Qiang (i)	50	50	—
Mr. Lyu Wan Liang (ii)	28	3	75
Ms. Li Li (iii)	100	75	75
Ms. Lyu Chun Yan (iv)	100	75	75
Total	278	203	225

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- (i) Mr. Zhang Qiang was appointed as an independent director of the Company in March 2021, and resigned from the position in September 2024.
- (ii) Mr. Lyu Wan Liang was appointed as an independent director of the Company in September 2024.
- (iii) Ms. Li Li was appointed as an independent director of the Company in March 2021.
- (iv) Ms. Lyu Chun Yan was appointed as an independent director of the Company in March 2021.

There were no other emoluments payable to the independent directors during the Relevant Period and the nine months ended 30 September 2024 and 2025.

(b) Directors, supervisors and chief executive

Year ended 31 December 2024

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Directors:				
Mr. Huang Yue Sheng (i)	573	6,224	63	6,860
Mr. Hu Ding Fei (ii)	72	—	—	72
Ms. Jin Yi Qun (iii)	855	863	66	1,784
Ms. Liu Yu Ling (iv)	—	—	—	—
Mr. Yu Xie Cai (v)	82	—	—	82
Ms. Li Jia (vi)	—	—	—	—
Mr. Xu Ping (vii)	—	—	—	—
Ms. Wang Xiao Bin (viii)	—	—	—	—
Subtotal	<u>1,582</u>	<u>7,087</u>	<u>129</u>	<u>8,798</u>
Supervisors:				
Mr. Jiang Ling Min (ix)	471	563	54	1,088
Mr. Jia Zhi Yun (x)	282	68	28	378
Mr. Fang Yue Liang (xi)	—	—	—	—
Subtotal	<u>753</u>	<u>631</u>	<u>82</u>	<u>1,466</u>
Chief executive:				
Mr. Wang Zhao Shen (xii)	<u>1,288</u>	<u>—</u>	<u>66</u>	<u>1,354</u>
Total	<u><u>3,623</u></u>	<u><u>7,718</u></u>	<u><u>277</u></u>	<u><u>11,618</u></u>

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Nine months ended 30 September 2024 (unaudited)

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Directors:				
Mr. Huang Yue Sheng (i)	351	6,224	48	6,623
Mr. Hu Ding Fei (ii)	72	—	—	72
Ms. Jin Yi Qun (iii)	541	752	49	1,342
Ms. Liu Yu Ling (iv)	—	—	—	—
Mr. Yu Xie Cai (v)	8	—	—	8
Ms. Li Jia (vi)	—	—	—	—
Mr. Xu Ping (vii)	—	—	—	—
Ms. Wang Xiao Bin (viii)	—	—	—	—
Subtotal	972	6,976	97	8,045
Supervisors:				
Mr. Jiang Ling Min (ix)	328	445	40	813
Mr. Jia Zhi Yun (x)	187	53	21	261
Mr. Fang Yue Liang (xi)	—	—	—	—
Subtotal	515	498	61	1,074
Chief executive:				
Mr. Wang Zhao Shen (xii)	892	—	49	941
Total	2,379	7,474	207	10,060

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Nine months ended 30 September 2025 (unaudited)

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Directors:				
Mr. Huang Yue Sheng (i)	363	2,224	—	2,587
Ms. Jin Yi Qun (Chief executive) (iii)	599	1	51	651
Ms. Liu Yu Ling (iv)	—	—	—	—
Mr. Yu Xie Cai (v)	102	—	—	102
Ms. Li Jia (vi)	—	—	—	—
Ms. Wang Xiao Bin (viii)	—	—	—	—
Subtotal	1,064	2,225	51	3,340
Supervisors:				
Mr. Jiang Ling Min (ix)	330	213	40	583
Mr. Jia Zhi Yun (x)	197	45	22	264
Mr. Fang Yue Liang (xi)	—	—	—	—
Subtotal	527	258	62	847
Chief executive:				
Mr. Wang Zhao Shen (xii)	480	—	23	503
Total	2,071	2,483	136	4,690

- (i) Mr. Huang Yue Sheng was appointed as the chairman of the Company in October 2014.
- (ii) Mr. Hu Ding Fei was appointed as a director of the Company in March 2021, and resigned from the position in September 2024.
- (iii) Ms. Jin Yi Qun was appointed as a director and the chief executive of the Company in October 2014, resigned from the position of chief executive in May 2020, and was reappointed as the chief executive of the Company in May 2025.
- (iv) Ms. Liu Yu Ling was appointed as a director of the Company in May 2020.
- (v) Mr. Yu Xie Cai was appointed as a director of the Company in October 2014, resigned from the position in March 2021, and was reappointed as a director of the Company in September 2024.
- (vi) Ms. Li Jia was appointed as a director of the Company in May 2020, resigned from the position in March 2021, and was reappointed as a director of the Company in January 2022.
- (vii) Mr. Xu Ping was appointed as a director of the Company in March 2021, and resigned from the position in September 2024.
- (viii) Ms. Wang Xiao Bin was appointed as a director of the Company in September 2024.
- (ix) Mr. Jiang Ling Min was appointed as an employee supervisor of the Company in March 2021.
- (x) Mr. Jia Zhi Yun was appointed as an employee supervisor of the Company in December 2021.

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(xi) Mr. Fang Yue Liang was appointed as a shareholder representative supervisor of the Company in March 2021.

(xii) Mr. Wang Zhao Shen was appointed as the chief executive of the Company in May 2023, and resigned from the position in April 2025.

On 16 January 2026, the Company’s General Meeting of Shareholders approved a resolution to abolish the board of supervisors. Consequently, Mr. Jiang Ling Min, Mr. Jia Zhi Yun and Mr. Fang Yue Liang ceased to be supervisors of the Company from the same date.

There were no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the Relevant Period and the nine months ended 30 September 2024 and 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Period and the nine months ended 30 September 2024 and 2025 included the chief executive and 2 directors, 2 directors, and 2 directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining 2, 3 and 3 highest paid employees who are not directors or the chief executive of the Company during the Relevant Period and the nine months ended 30 September 2024 and 2025 are as follows:

	Year ended 31 December 2024 RMB'000	Nine months ended 30 September 2024 2025 RMB'000 (unaudited) (unaudited)	
Salaries, bonuses, allowances and benefits in kind	2,105	2,940	2,292
Equity-settled share-based payment expense	2,124	1,014	750
Pension scheme contributions	133	96	147
Total	4,362	4,050	3,189

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December 2024	Nine months ended 30 September 2024 2025 (unaudited) (unaudited)	
Nil to HK\$1,000,000	—	—	2
HK\$1,000,001 to HK\$1,500,000	—	2	—
HK\$1,500,001 to HK\$2,000,000	—	1	1
HK\$2,000,001 to HK\$3,000,000	2	—	—
Total	2	3	3

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10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Corporate Income Tax (the “CIT Law”) and Implementation Regulation of the CIT Law, the CIT rate of the PRC subsidiaries was 25% during the Relevant Period and the nine months ended 30 September 2024 and 2025.

The Company was initially accredited as a “High and New Technology Enterprise” (“HNTE”) in 2013 and the certificate currently in effect was renewed in November 2022. In December 2025, the Company successfully completed the renewal of its HNTE certificate, extending its HNTE status through December 2028. Guangxi Wehand-Bio was initially accredited as a HNTE in 2021 and the certificate currently in effect was renewed in November 2024. Therefore, the Company and Guangxi Wehand-Bio were entitled to a reduced preferential EIT rate of 15% during the Relevant Period and the nine months ended 30 September 2024 and 2025. The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years.

The income tax expense of the Group during the Relevant Period and the nine months ended 30 September 2024 and 2025 is analysed as follows:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)	<i>RMB'000</i> (<i>unaudited</i>)
Current income tax	—	—	166
Deferred income tax	572	561	160
Total tax charge	<u>572</u>	<u>561</u>	<u>326</u>

A reconciliation of the tax expense applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)	<i>RMB'000</i> (<i>unaudited</i>)
Loss before tax	(108,946)	(66,865)	(45,391)
Tax at the statutory tax rate of 25%	(27,236)	(16,716)	(11,348)
Lower tax rate for specific provinces or enacted by local authority	10,553	6,366	4,914
Expenses not deductible for tax	3,700	2,204	2,161
Additional deductible allowance for research and development costs	(9,500)	(5,523)	(6,808)
Tax losses and temporary differences for which no deferred income tax assets were recognised	23,055	14,230	11,407
Tax charge at the Group’s effective tax rate	<u>572</u>	<u>561</u>	<u>326</u>

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11. DIVIDEND

No dividend has been paid or declared by the Company during the Relevant Period and the nine months ended 30 September 2024 and 2025.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares in issue during the Relevant Period and the nine months ended 30 September 2024 and 2025.

The Group had no potentially dilutive ordinary shares in issue during the Relevant Period and the nine months ended 30 September 2024 and 2025, so the diluted loss per share amounts equalled the basic loss per share amounts.

The calculation of basic loss per share amounts is based on:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Loss			
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	<u>(109,518)</u>	<u>(67,426)</u>	<u>(45,717)</u>
Shares			
Weighted average number of ordinary shares in issue during the year/period used in the basic per share calculation	<u>120,377</u>	<u>119,411</u>	<u>125,142</u>
Loss per share			
Attributable to ordinary equity holders of the parent (Expressed in RMB)			
— Basic and diluted	<u>(0.91)</u>	<u>(0.56)</u>	<u>(0.37)</u>

The weighted average number of ordinary shares in issue used in calculating loss per share attributable to ordinary equity holders of the parent company during the nine months ended 30 September 2025 included 3,177,510 shares of which capital contributions of RMB100,000,000 have been received by the Company prior to 30 September 2025, but the relevant registration has not been completed as at 30 September 2025. On 26 December 2025, the relevant registration was completed (further details are included in note 27).

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13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2024	Buildings	Machinery	Electronic and office equipment	Motor vehicles	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024:						
Cost	215,996	133,768	6,766	1,746	4,475	362,751
Accumulated depreciation and impairment	(53,922)	(63,763)	(4,094)	(652)	—	(122,431)
Net carrying amount	<u>162,074</u>	<u>70,005</u>	<u>2,672</u>	<u>1,094</u>	<u>4,475</u>	<u>240,320</u>
At 1 January 2024, net of accumulated depreciation and impairment	162,074	70,005	2,672	1,094	4,475	240,320
Additions	620	3,261	421	39	32,433	36,774
Disposals	(56)	(288)	(11)	(31)	—	(386)
Depreciation provided during the year (<i>note 6</i>)	(8,429)	(12,527)	(839)	(301)	—	(22,096)
Transfer within property, plant and equipment	<u>3,654</u>	<u>1,084</u>	<u>—</u>	<u>—</u>	<u>(4,738)</u>	<u>—</u>
At 31 December 2024, net of accumulated depreciation and impairment	<u>157,863</u>	<u>61,535</u>	<u>2,243</u>	<u>801</u>	<u>32,170</u>	<u>254,612</u>
At 31 December 2024:						
Cost	220,214	136,983	7,095	1,729	32,170	398,191
Accumulated depreciation and impairment	(62,351)	(75,448)	(4,852)	(928)	—	(143,579)
Net carrying amount	<u>157,863</u>	<u>61,535</u>	<u>2,243</u>	<u>801</u>	<u>32,170</u>	<u>254,612</u>

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30 September 2025 (unaudited)	Buildings	Machinery	Electronic and office equipment	Motor vehicles	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
At 1 January 2025:						
Cost	220,214	136,983	7,095	1,729	32,170	398,191
Accumulated depreciation and impairment	(62,351)	(75,448)	(4,852)	(928)	—	(143,579)
Net carrying amount	<u>157,863</u>	<u>61,535</u>	<u>2,243</u>	<u>801</u>	<u>32,170</u>	<u>254,612</u>
At 1 January 2025, net of accumulated depreciation and impairment	157,863	61,535	2,243	801	32,170	254,612
Additions	102	475	215	—	10,546	11,338
Disposals	—	(42)	(4)	—	—	(46)
Depreciation provided during the period (<i>note 6</i>)	(6,374)	(8,559)	(624)	(205)	—	(15,762)
Transfer within property, plant and equipment	<u>1,863</u>	<u>2,828</u>	<u>—</u>	<u>—</u>	<u>(4,691)</u>	<u>—</u>
At 30 September 2025, net of accumulated depreciation and impairment	<u>153,454</u>	<u>56,237</u>	<u>1,830</u>	<u>596</u>	<u>38,025</u>	<u>250,142</u>
At 30 September 2025:						
Cost	222,179	139,705	7,271	1,729	38,025	408,909
Accumulated depreciation and impairment	(68,725)	(83,468)	(5,441)	(1,133)	—	(158,767)
Net carrying amount	<u>153,454</u>	<u>56,237</u>	<u>1,830</u>	<u>596</u>	<u>38,025</u>	<u>250,142</u>

Certain of the Group’s buildings with net carrying amounts of approximately RMB133,431,000 and RMB128,083,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were pledged to banks or third-party guarantee companies for the bank borrowings (note 23).

Certain of the Group’s machinery with net carrying amounts of approximately RMB39,448,000 and RMB33,853,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were pledged to secure or guarantee bank and other borrowings (note 23).

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The Company

31 December 2024	Buildings	Machinery	Electronic and office equipment	Motor vehicles	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024:						
Cost	90,987	57,042	3,573	1,088	2,299	154,989
Accumulated depreciation and impairment	(33,089)	(36,771)	(2,427)	(386)	—	(72,673)
Net carrying amount	<u>57,898</u>	<u>20,271</u>	<u>1,146</u>	<u>702</u>	<u>2,299</u>	<u>82,316</u>
At 1 January 2024, net of accumulated depreciation and impairment	57,898	20,271	1,146	702	2,299	82,316
Additions	—	1,845	95	—	30,610	32,550
Disposals	—	(17)	(2)	—	—	(19)
Depreciation provided during the year	(3,667)	(5,162)	(392)	(189)	—	(9,410)
Transfer within property, plant and equipment	<u>3,053</u>	<u>368</u>	<u>—</u>	<u>—</u>	<u>(3,421)</u>	<u>—</u>
At 31 December 2024, net of accumulated depreciation and impairment	<u>57,284</u>	<u>17,305</u>	<u>847</u>	<u>513</u>	<u>29,488</u>	<u>105,437</u>
At 31 December 2024:						
Cost	94,040	58,947	3,631	1,088	29,488	187,194
Accumulated depreciation and impairment	(36,756)	(41,642)	(2,784)	(575)	—	(81,757)
Net carrying amount	<u>57,284</u>	<u>17,305</u>	<u>847</u>	<u>513</u>	<u>29,488</u>	<u>105,437</u>

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30 September 2025 (unaudited)	Buildings	Machinery	Electronic and office equipment	Motor vehicles	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
At 1 January 2025:						
Cost	94,040	58,947	3,631	1,088	29,488	187,194
Accumulated depreciation and impairment	(36,756)	(41,642)	(2,784)	(575)	—	(81,757)
Net carrying amount	<u>57,284</u>	<u>17,305</u>	<u>847</u>	<u>513</u>	<u>29,488</u>	<u>105,437</u>
At 1 January 2025, net of accumulated depreciation and impairment	57,284	17,305	847	513	29,488	105,437
Additions	78	441	111	—	10,534	11,164
Disposals	—	(67)	(4)	—	—	(71)
Depreciation provided during the period	(2,797)	(2,934)	(278)	(142)	—	(6,151)
Transfer within property, plant and equipment	<u>1,863</u>	<u>848</u>	<u>—</u>	<u>—</u>	<u>(2,711)</u>	<u>—</u>
At 30 September 2025, net of accumulated depreciation and impairment	<u>56,428</u>	<u>15,593</u>	<u>676</u>	<u>371</u>	<u>37,311</u>	<u>110,379</u>
At 30 September 2025:						
Cost	95,981	59,315	3,703	1,088	37,311	197,398
Accumulated depreciation and impairment	(39,553)	(43,722)	(3,027)	(717)	—	(87,019)
Net carrying amount	<u>56,428</u>	<u>15,593</u>	<u>676</u>	<u>371</u>	<u>37,311</u>	<u>110,379</u>

Certain of the Company’s buildings with net carrying amounts of approximately RMB42,195,000 and RMB40,085,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were pledged to third-party guarantee companies for the bank borrowings (note 23).

Certain of the Group’s machinery with net carrying amounts of approximately RMB6,735,000 and RMB5,578,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were pledged for the other borrowings (note 23).

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14. LEASES

The Group and the Company as the lessees

The Group and the Company have lease contracts for leasehold land used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the government with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. The leasehold land from third parties has a lease term of 20 years.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Period and the nine months ended 30 September 2025 are as follows:

The Group

	<u>Leasehold land</u> <i>RMB’000</i>
As at 1 January 2024	31,652
Depreciation charge (<i>note 6</i>)	<u>(893)</u>
As at 31 December 2024 and 1 January 2025	30,759
Depreciation charge (<i>note 6</i>) (unaudited)	<u>(671)</u>
As at 30 September 2025 (unaudited)	<u><u>30,088</u></u>

The Group’s leasehold land with net carrying amounts of RMB28,733,000 and RMB28,198,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were pledged to secure interest-bearing bank borrowings (note 23).

The Company

	<u>Leasehold land</u> <i>RMB’000</i>
As at 1 January 2024	11,111
Depreciation charge	<u>(293)</u>
As at 31 December 2024 and 1 January 2025	10,818
Depreciation charge (unaudited)	<u>(220)</u>
As at 30 September 2025 (unaudited)	<u><u>10,598</u></u>

The Company’s leasehold land with net carrying amounts of RMB10,818,000 and RMB10,598,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were pledged to secure interest-bearing bank borrowings (note 23).

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(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Period and the nine months ended 30 September 2025 are as follows:

The Group

	Year ended 31 December 2024 RMB'000	Nine months ended 30 September 2025 RMB'000 (unaudited)
Carrying amount at beginning of the year/period	1,892	1,990
Accretion of interest recognised during the year/period	98	78
Carrying amount at end of the year/period	1,990	2,068
Analysed into:		
Current portion	—	1,078
Non-current portion	1,990	990

The maturity analysis of lease liabilities is disclosed in note 35 to the Historical Financial Information.

No lease liability is recognised by the Company for the leasehold land as all the lease payments for the leasehold land were paid before the commencement of lease.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December 2024 RMB'000	Nine months ended 30 September 2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest on lease liabilities (note 7)	98	73	78
Depreciation charge of right-of-use assets (note 6)	893	671	671
Expenses relating to short-term leases and leases of low-value assets (note 6)	361	169	225
Total amount recognised in profit or loss	1,352	913	974

(d) The total cash outflow for leases is disclosed in note 30(b) to the Historical Financial Information.

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15. INTANGIBLE ASSETS

The Group

31 December 2024	Software	Patents and trademarks	Non-patent technology	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024:				
Cost	745	27,195	82,726	110,666
Accumulated amortisation	(426)	(13,850)	(31,712)	(45,988)
Net carrying amount	<u>319</u>	<u>13,345</u>	<u>51,014</u>	<u>64,678</u>
At 1 January 2024, net of accumulated amortisation	319	13,345	51,014	64,678
Additions	88	500	—	588
Amortisation provided during the year (note 6)	(118)	(3,552)	(8,273)	(11,943)
At 31 December 2024, net of accumulated amortisation	<u>289</u>	<u>10,293</u>	<u>42,741</u>	<u>53,323</u>
At 31 December 2024:				
Cost	833	27,695	82,726	111,254
Accumulated amortisation	(544)	(17,402)	(39,985)	(57,931)
Net carrying amount	<u>289</u>	<u>10,293</u>	<u>42,741</u>	<u>53,323</u>
30 September 2025 (unaudited)	Software	Patents and trademarks	Non-patent technology	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 January 2025:				
Cost	833	27,695	82,726	111,254
Accumulated amortisation	(544)	(17,402)	(39,985)	(57,931)
Net carrying amount	<u>289</u>	<u>10,293</u>	<u>42,741</u>	<u>53,323</u>
At 1 January 2025, net of accumulated amortisation	289	10,293	42,741	53,323
Amortisation provided during the period (note 6)	(96)	(2,600)	(6,204)	(8,900)
At 30 September 2025, net of accumulated amortisation	<u>193</u>	<u>7,693</u>	<u>36,537</u>	<u>44,423</u>
At 30 September 2025:				
Cost	833	27,695	82,726	111,254
Accumulated amortisation	(640)	(20,002)	(46,189)	(66,831)
Net carrying amount	<u>193</u>	<u>7,693</u>	<u>36,537</u>	<u>44,423</u>

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The Company

31 December 2024	Software <i>RMB'000</i>	Patents and trademarks <i>RMB'000</i>	Non-patent technology <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024:				
Cost	687	26,895	37,655	65,237
Accumulated amortisation	(423)	(13,804)	(14,434)	(28,661)
Net carrying amount	<u>264</u>	<u>13,091</u>	<u>23,221</u>	<u>36,576</u>
At 1 January 2024, net of accumulated amortisation	264	13,091	23,221	36,576
Additions	88	500	—	588
Amortisation provided during the year	(99)	(3,534)	(3,765)	(7,398)
At 31 December 2024, net of accumulated amortisation	<u>253</u>	<u>10,057</u>	<u>19,456</u>	<u>29,766</u>
At 31 December 2024:				
Cost	775	27,395	37,655	65,825
Accumulated amortisation	(522)	(17,338)	(18,199)	(36,059)
Net carrying amount	<u>253</u>	<u>10,057</u>	<u>19,456</u>	<u>29,766</u>
30 September 2025 (unaudited)	Software <i>RMB'000</i> <i>(unaudited)</i>	Patents and trademarks <i>RMB'000</i> <i>(unaudited)</i>	Non-patent technology <i>RMB'000</i> <i>(unaudited)</i>	Total <i>RMB'000</i> <i>(unaudited)</i>
At 1 January 2025:				
Cost	775	27,395	37,655	65,825
Accumulated amortisation	(522)	(17,338)	(18,199)	(36,059)
Net carrying amount	<u>253</u>	<u>10,057</u>	<u>19,456</u>	<u>29,766</u>
At 1 January 2025, net of accumulated amortisation	253	10,057	19,456	29,766
Amortisation provided during the period	(82)	(2,587)	(2,824)	(5,493)
At 30 September 2025, net of accumulated amortisation	<u>171</u>	<u>7,470</u>	<u>16,632</u>	<u>24,273</u>
At 30 September 2025:				
Cost	775	27,395	37,655	65,825
Accumulated amortisation	(604)	(19,925)	(21,023)	(41,552)
Net carrying amount	<u>171</u>	<u>7,470</u>	<u>16,632</u>	<u>24,273</u>

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16. INVENTORIES

The Group

	As at 31 December 2024 <i>RMB’000</i>	As at 30 September 2025 <i>RMB’000</i> <i>(unaudited)</i>
Raw materials	11,196	8,787
Work in progress	80,647	100,115
Finished goods	<u>10,578</u>	<u>3,932</u>
	102,421	112,834
Less: Provision for inventories	<u>(5)</u>	<u>(10)</u>
Total	<u><u>102,416</u></u>	<u><u>112,824</u></u>

The Company

	As at 31 December 2024 <i>RMB’000</i>	As at 30 September 2025 <i>RMB’000</i> <i>(unaudited)</i>
Raw materials	4,510	3,744
Work in progress	55,437	41,972
Finished goods	<u>13,914</u>	<u>4,395</u>
	73,861	50,111
Less: Provision for inventories	<u>(5)</u>	<u>(10)</u>
Total	<u><u>73,856</u></u>	<u><u>50,101</u></u>

17. TRADE RECEIVABLES

The Group

	As at 31 December 2024 <i>RMB’000</i>	As at 30 September 2025 <i>RMB’000</i> <i>(unaudited)</i>
Trade receivables	47,027	54,965
Impairment	<u>(1,065)</u>	<u>(125)</u>
Net carrying amount	<u><u>45,962</u></u>	<u><u>54,840</u></u>

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The Company

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> <i>(unaudited)</i>
Trade receivables	47,021	54,963
Impairment	(1,064)	(124)
Net carrying amount	<u>45,957</u>	<u>54,839</u>

The Group’s trading terms with its customers are mainly on credit. The credit period is generally 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Group as at the end of the Relevant Period and 30 September 2025, based on the transaction dates and net of loss allowance, is as follows:

The Group

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> <i>(unaudited)</i>
Within 3 months	38,173	54,278
3 to 6 months	5,186	562
6 to 9 months	2,603	—
Total	<u>45,962</u>	<u>54,840</u>

The Company

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> <i>(unaudited)</i>
Within 3 months	38,168	54,277
3 to 6 months	5,186	562
6 to 9 months	2,603	—
Total	<u>45,957</u>	<u>54,839</u>

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The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> <i>(unaudited)</i>
At beginning of year/period	115	1,065
Impairment losses, net	<u>950</u>	<u>(940)</u>
At end of year/period	<u><u>1,065</u></u>	<u><u>125</u></u>

The Company

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> <i>(unaudited)</i>
At beginning of year/period	115	1,064
Impairment losses, net	<u>949</u>	<u>(940)</u>
At end of year/period	<u><u>1,064</u></u>	<u><u>124</u></u>

An impairment analysis is performed at the end of the Relevant Period and 30 September 2025 using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects, as appropriate the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of the Relevant Period and 30 September 2025 about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group’s trade receivables as at the end of the Relevant Period and 30 September 2025 using a provision matrix:

The Group

As at 31 December 2024

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate %	Expected credit loss <i>RMB'000</i>
Within 3 months	38,267	0.24	94
3 to 6 months	5,321	2.54	135
6 to 9 months	<u>3,439</u>	<u>24.30</u>	<u>836</u>
Total	<u><u>47,027</u></u>	<u><u>2.26</u></u>	<u><u>1,065</u></u>

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As at 30 September 2025 (unaudited)

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>
Within 3 months	54,389	0.20	111
3 to 6 months	576	2.37	14
Total	54,965	0.23	125

The Company

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>
Within 3 months	38,261	0.24	93
3 to 6 months	5,321	2.54	135
6 to 9 months	3,439	24.30	836
Total	47,021	2.26	1,064

As at 30 September 2025 (unaudited)

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>
Within 3 months	54,387	0.20	110
3 to 6 months	576	2.37	14
Total	54,963	0.23	124

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18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December 2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
Non-current:		
Prepayments	1,809	2,089
Subtotal	1,809	2,089
Current:		
Prepayments	2,218	3,312
Deposits and other receivables (note (a))	2,283	3,434
Others	799	1,581
	5,300	8,327
Impairment allowance (note (b))	(537)	(551)
Subtotal	4,763	7,776
Total	6,572	9,865

The Company

	As at 31 December 2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
Non-current:		
Prepayments	1,809	2,089
Subtotal	1,809	2,089
Current:		
Prepayments	17,010	2,427
Deposits and other receivables (note (a))	555	1,963
Others	705	724
	18,270	5,114
Impairment allowance (note (b))	(75)	(88)
Subtotal	18,195	5,026
Total	20,004	7,115

(a) Other receivables are unsecured, non-interest-bearing and repayable on demand.

(b) Our impairment allowance primarily represent allowance provided for other receivables.

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- (c) Except for certain loss allowance provided for other receivables, the financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking factors and information. During the Relevant Period and the nine months ended 30 September 2025, the Group estimated that the expected credit loss rate for other receivables was minimal.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> (<i>unaudited</i>)
Financial assets at fair value through profit or loss	15,052	—

The financial assets at fair value through profit or loss above were structured deposits issued by commercial banks in Chinese Mainland. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> (<i>unaudited</i>)
Cash and bank balances	166,447	227,255
Less: Time deposits with maturity of more than three months	55,000	65,000
Cash and cash equivalents	111,447	162,255
Denominated in: RMB	111,447	162,255

The Company

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> (<i>unaudited</i>)
Cash and bank balances	128,963	212,309
Less: Time deposits with maturity of more than three months	55,000	65,000
Cash and cash equivalents	73,963	147,309
Denominated in: RMB	73,963	147,309

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All the cash and bank balances of the Group are denominated in RMB. The RMB is not freely convertible into other currencies, however, under Chinese Mainland Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group and Company are permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

21. TRADE PAYABLES

The Group

An ageing analysis of the trade payables as at the end of the Relevant Period and 30 September 2025, based on the invoice date, is as follows:

	As at 31 December 2024	As at 30 September 2025
	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)
Within 1 year	8,636	3,728
Total	8,636	3,728

The Company

	As at 31 December 2024	As at 30 September 2025
	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)
Within 1 year	463	334
Total	463	334

The trade payables are non-interest-bearing and are normally settled within one year.

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22. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> (<i>unaudited</i>)
Non-current:		
Deferred income	45,668	46,348
Subtotal	<u>45,668</u>	<u>46,348</u>
Current:		
Other payables (<i>note (a)</i>)	92,125	73,172
Payroll payable	14,502	11,241
Other tax payables	725	4,279
Others	891	1,663
Subtotal	<u>108,243</u>	<u>90,355</u>
Total	<u>153,911</u>	<u>136,703</u>

The Company

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> (<i>unaudited</i>)
Non-current:		
Deferred income	16,911	16,104
Subtotal	<u>16,911</u>	<u>16,104</u>
Current:		
Other payables (<i>note (a)</i>)	74,157	51,080
Payroll payable	12,536	9,624
Other tax payables	326	3,954
Others	891	1,663
Subtotal	<u>87,910</u>	<u>66,321</u>
Total	<u>104,821</u>	<u>82,425</u>

(a) Other payables are trade in nature, non-interest-bearing and repayable on demand.

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23. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

As at 31 December 2024			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings			
— guaranteed	2.80%–4.46%	2025	101,027
— secured and guaranteed	3.40%–5.39%	2025	7,501
— unsecured and unguaranteed	3.10%	2025	10,000
Other borrowings			
— secured	3.94%	2025	1,472
— unsecured and unguaranteed	2.00%	2025	782
			<u>120,782</u>
Non-current			
Bank borrowings			
— guaranteed	3.20%–4.10%	2026–2027	27,669
— secured and guaranteed	3.40%–5.39%	2026–2028	40,550
Other borrowings			
— secured	3.94%	2026–2027	17,377
— unsecured and unguaranteed	2.00%	2026–2031	16,608
			<u>102,204</u>
Analysed into:			
Within one year or on demand	2.00%–5.39%	2025	120,782
In the second year	2.00%–5.39%	2026	43,221
In the third to fifth year, inclusive	2.00%–5.39%	2027–2029	43,742
Beyond five years	2.00%	2030–2031	15,241
Total			<u>222,986</u>

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As at 30 September 2025 (unaudited)			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings			
— guaranteed	1.90%–3.40%	2025–2026	113,451
— secured and guaranteed	4.00%	2025–2026	12,743
— unsecured and unguaranteed	3.10%	2025	10,000
Other borrowings			
— secured	3.94%	2025–2026	2,066
— unsecured and unguaranteed	2.00%	2025–2026	699
			<u>138,959</u>
Non-current			
Bank borrowings			
— guaranteed	3.20%	2026–2027	9,198
— secured and guaranteed	4.00%	2026–2028	31,550
Other borrowings			
— secured	3.94%	2026–2027	15,977
— unsecured and unguaranteed	2.00%	2026–2031	16,884
			<u>73,609</u>
Analysed into:			
Within one year or on demand	1.90%–4.00%	2025–2026	138,959
In the second year	2.00%–4.00%	2026–2027	20,271
In the third to fifth year, inclusive	2.00%–4.00%	2027–2029	37,821
Beyond five years	2.00%	2030–2031	15,517
Total			<u>212,568</u>

All the bank and other borrowings of the Group are denominated in RMB.

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	As at 31 December 2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
Fixed interest rate	203,644	183,210
Variable interest rate	<u>19,342</u>	<u>29,358</u>
Total	<u>222,986</u>	<u>212,568</u>

Notes:

As at 31 December 2024 and 30 September 2025, the Group’s bank and other borrowings amounted to RMB222,986,000 and RMB212,568,000 (unaudited), respectively, and certain of them were guaranteed or secured by the following arrangements:

- (a) Bank borrowings guaranteed by third-party guarantee companies

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Certain bank borrowings were guaranteed by third-party guarantee companies. Beijing Daxing Development Rongda Financing Guarantee Co., Ltd. Guaranteed bank borrowings of the Group amounting to RMB89,088,000 and RMB59,069,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively; and Hechi Small and Micro Enterprise Financing Guarantee Co., Ltd. Guaranteed bank borrowings amounting to RMB8,000,000 and RMB8,000,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

As counter-security for these guarantees, the Group pledged the following assets to the guarantee companies:

- (i) mortgages over the Group’s buildings with net carrying amounts of RMB42,788,000 and RMB40,660,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively;
 - (ii) mortgages over the Group’s leasehold land with net carrying amounts of RMB10,818,000 and RMB10,598,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively; and
 - (iii) mortgages over the Group’s machinery with net carrying amounts of RMB18,300,000 and RMB16,700,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.
- (b) Bank borrowings secured by mortgages

Certain bank borrowings were secured by mortgages over the Group’s assets. The net carrying amounts of the assets pledged directly to banks were as follows:

- (i) mortgages over the Group’s buildings with net carrying amounts of RMB90,643,000 and RMB87,423,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively;
 - (ii) mortgages over the Group’s leasehold land with net carrying amounts of RMB17,915,000 and RMB17,600,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively; and
 - (iii) mortgages over the Group’s machinery with net carrying amounts of RMB14,413,000 and RMB11,575,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.
- (c) Other borrowings related to the sale and leaseback arrangements secured by mortgages

The Group’s other borrowings amounting to RMB18,849,000 and RMB18,043,000 (unaudited) were secured by machinery with the carrying amount of RMB6,735,000 and RMB5,578,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

- (d) Bank borrowings guaranteed by the Company’s chairman and directors

Certain bank borrowings were guaranteed by the Company’s chairman and directors:

- (i) The Company’s chairman Mr. Huang Yue Sheng and his spouse provided guarantee to banks for certain bank borrowings amounting to RMB81,500,000 and RMB50,500,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively;
- (ii) The Company’s chairman Mr. Huang Yue Sheng provided guarantee to banks for certain bank borrowings amounting to RMB85,292,000 and RMB106,608,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively; and
- (iii) The Company’s directors Mr. Hu Ding Fei and Mr. Yu Xie Cai provided guarantee to banks for certain bank borrowings amounting to RMB55,950,000 and RMB52,250,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

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(e) Bank borrowings guaranteed by a subsidiary

Certain bank borrowings amounting to RMB1,000,000 and nil (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were guaranteed by the Group’s subsidiary, Guangxi Wehand-Bio.

The Company

	As at 31 December 2024		
	Effective	Maturity	RMB'000
	interest rate (%)		
Current			
Bank borrowings			
— guaranteed	2.80%–4.10%	2025	83,027
— unsecured and unguaranteed	3.10%	2025	10,000
Other borrowings			
— secured	3.94%	2025	1,472
			<u>94,499</u>
Non-current			
Bank borrowings			
— guaranteed	3.20%–4.10%	2026–2027	27,669
Other borrowings			
— secured	3.94%	2026–2027	17,377
			<u>45,046</u>
Analysed into:			
Within one year or on demand	2.80%–4.10%	2025	94,499
In the second year	3.20%–4.10%	2026	21,155
In the third to fifth year, inclusive	3.20%–3.94%	2027	23,891
Total			<u>139,545</u>

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As at 30 September 2025 (unaudited)			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings			
— guaranteed	2.15%–3.30%	2025–2026	90,451
— unsecured and unguaranteed	3.10%	2025	10,000
Other borrowings			
— secured	3.94%	2025–2026	2,066
			<u>102,517</u>
Non-current			
Bank borrowings			
— guaranteed	3.20%	2026–2027	9,198
Other borrowings			
— secured	3.94%	2026–2027	15,977
			<u>25,175</u>
Analysed into:			
Within one year or on demand	2.15%–3.30%	2025–2026	102,517
In the second year	3.20%–3.94%	2026–2027	884
In the third to fifth year, inclusive	3.20%–3.94%	2027	24,291
Total			<u>127,692</u>

All the bank and other borrowings of the Company are denominated in RMB.

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	As at 31 December 2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
Fixed interest rate	120,203	98,334
Variable interest rate	<u>19,342</u>	<u>29,358</u>
Total	<u>139,545</u>	<u>127,692</u>

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Notes:

As at 31 December 2024 and 30 September 2025, the Company’s bank and other borrowings amounted to RMB139,545,000 and RMB127,692,000, respectively, and certain of them were guaranteed or secured by the following arrangements:

(a) Bank borrowings guaranteed by third-party guarantee companies

Certain bank borrowings were guaranteed by third-party guarantee companies. Beijing Daxing Development Rongda Financing Guarantee Co., Ltd. guaranteed bank borrowings amounting to RMB89,088,000 and RMB59,069,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

As counter-security for these guarantees, the Company pledged the following assets to the guarantee companies:

- (i) mortgages over the Company’s buildings with net carrying amounts of RMB42,195,000 and RMB40,085,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively; and
- (ii) mortgages over the Company’s leasehold land with net carrying amounts of RMB10,818,000 and RMB10,598,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

(b) Other borrowings related to the sale and leaseback arrangements secured by mortgages

The Company’s other borrowings amounting to RMB18,849,000 and RMB18,043,000 (unaudited) were secured by machinery with the carrying amount of RMB6,735,000 and RMB5,578,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

(c) Bank borrowings guaranteed by the Company’s chairman

The Company’s chairman Mr. Huang Yue Sheng and his spouse provided guarantee to banks for certain bank borrowings amounting to RMB81,500,000 and RMB50,500,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively. The Company’s chairman Mr. Huang Yue Sheng provided guarantee to banks for certain bank borrowings amounting to RMB19,342,000 and RMB39,358,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

(d) Bank borrowings guaranteed by a subsidiary

Certain bank borrowings amounting to RMB1,000,000 and nil (unaudited) as at 31 December 2024 and 30 September 2025, respectively, were guaranteed by the Company’s subsidiary, Guangxi Wehand-Bio.

24. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

The Group

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> <i>(unaudited)</i>
Sales rebates*	6,175	1,208
	<u>6,175</u>	<u>1,208</u>

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The Company

	As at 31 December 2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
Sales rebates*	6,175	1,208
	<u>6,175</u>	<u>1,208</u>

* Sales rebates represent the sale proceeds that have been received from customers but the products have not yet been delivered.

25. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Period and the nine months ended 30 September 2025 are as follows:

Deferred tax assets

	Impairment losses on financial assets RMB'000	Provision for impairment of assets RMB'000	Tax losses RMB'000	Lease liabilities RMB'000	Deferred income RMB'000	Total RMB'000
Gross deferred tax assets at 1 January 2024	27	204	1,320	284	4,457	6,292
Deferred tax credited/ (charged) to profit or loss during the year (note 10) (unaudited)	42	—	(741)	15	(143)	(827)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	69	204	579	299	4,314	5,465
Deferred tax credited/ (charged) to profit or loss during the period (note 10) (unaudited)	<u>—</u>	<u>—</u>	<u>(579)</u>	<u>12</u>	<u>222</u>	<u>(345)</u>
Gross deferred tax assets at 30 September 2025 (unaudited)	<u>69</u>	<u>204</u>	<u>—</u>	<u>311</u>	<u>4,536</u>	<u>5,120</u>

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Deferred tax liabilities

	Depreciation of property, plant and equipment	Right-of-use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	2,155	331	2,486
Deferred tax credited to profit or loss during the year (<i>note 10</i>)	(228)	(27)	(255)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	1,927	304	2,231
Deferred tax credited to profit or loss during the period (<i>note 10</i>)	(171)	(14)	(185)
Gross deferred tax liabilities at 30 September 2025 (unaudited)	1,756	290	2,046

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for reporting purposes:

	As at 31 December 2024	As at 30 September 2025
	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Net deferred tax assets recognised in the consolidated statement of financial position	3,234	3,074
Net deferred tax liabilities recognised in the consolidated statement of financial position	—	—

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December 2024	As at 30 September 2025
	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Tax losses	804,874	876,099
Deductible temporary differences	59,485	39,997
Total	864,359	916,096

The Group had tax losses of approximately RMB804,874,000 and RMB876,099,000 as at 31 December 2024 and 30 September 2025 arising in Chinese Mainland, respectively, that would expire in one to ten years for offsetting against future taxable profits.

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26. SHARE CAPITAL

Group and Company

	As at 31 December 2024 <i>RMB’000</i>	As at 30 September 2025 <i>RMB’000</i> <i>(unaudited)</i>
Issued and fully paid: ordinary shares	124,177	125,130

A summary of movements in the Company’s share capital is as follows:

	Number of shares in issue <i>’000</i>	Share capital <i>RMB’000</i>
At 1 January 2024	119,411	119,411
Addition (<i>Note (a)</i>)	4,766	4,766
As at 31 December 2024 and 1 January 2025	124,177	124,177
Addition (<i>Note (b)</i>)	953	953
As at 30 September 2025 (unaudited)	125,130	125,130

- (a) During the year ended 31 December 2024, the Company received capital contributions of RMB150,000,000 from an investor. The capital contributions increased the share capital and capital reserve by RMB4,766,000 and RMB145,234,000, respectively.
- (b) During the nine months ended 30 September 2025, the Company received capital contributions of RMB130,000,000 from two investors. The capital contributions increased the share capital and capital reserve by RMB953,000 and RMB129,047,000, respectively.

Prior to the 30 September 2025, the Company entered into respective shareholders’ agreements and share subscription agreements (collectively, the “Pre-[REDACTED] Investors Agreements”) with various Pre-[REDACTED] Investors (collectively, the “Pre-[REDACTED] Investors”) and issued ordinary shares thereto with a total consideration of approximately RMB488 million (collectively, the “Pre-[REDACTED] Investments”) with the respective par values being recorded as share capital and the remainder as capital reserve. Pursuant to the Pre-[REDACTED] Investors Agreements, the Pre-[REDACTED] Investors were granted by the Company with special rights (“Special Rights”) which included redemption rights, liquidation preference rights and anti-dilution rights.

There was no exercise of Special Rights granted by the Company prior to or throughout the Relevant Period and the nine months ended 30 September 2025.

On 12 February 2026, the Company and the Pre-[REDACTED] Investors subsequently entered into supplemental agreements (the “Supplemental Agreements”), agreeing that certain of the Special Rights granted by the Company to Pre-[REDACTED] investors, including redemption rights, liquidation preference rights and anti-dilution rights have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Relevant Period and the nine months ended 30 September 2025.

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Had the Special Rights granted by the Company to the Pre-[REDACTED] Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the Supplemental Agreements in 12 February 2026, the redemption financial liabilities, total non-current liabilities and net assets would have been:

	31 December 2024	30 September 2025
	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)
Redemption financial liabilities	365,489	468,122
Total non-current liabilities	515,351	589,069
Net assets	(80,810)	(92,052)

The finance costs associated with the redemption financial liabilities, the net loss for the year/period, basic and diluted loss per share would have been:

	Year ended 31 December 2024	Nine months ended 30 September 2024	2025
	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)	<i>RMB'000</i> (<i>unaudited</i>)
Finance costs associated with the redemption financial liabilities	2,226	—*	9,603
Total net loss	111,744	67,426	55,320
Basic and diluted loss per share (expressed in RMB)	0.95	0.56	0.49

* With the Special Rights were only triggered and became effective in October 2024, no financial costs were recognised during the nine months ended 30 September 2024.

27. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Period and the nine months ended 30 September 2025 are presented in the consolidated statements of changes in equity.

Capital reserve

The capital reserve of the Group represents the difference between the par value of the shares issued and the consideration received.

Share-based payment reserve

The Share-based payment reserve of the Group represents the fair value of equity-settled share-based payments with details presented in note 28.

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The Company

	Capital reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2024	414,015	208,905	(529,170)	93,750
Loss and total comprehensive loss for the year	—	—	(116,443)	(116,443)
Issue of shares	145,234	—	—	145,234
Recognition of equity-settled share-based payments	—	19,131	—	19,131
As at 31 December 2024 and 1 January 2025	559,249	228,036	(645,613)	141,672
Loss and total comprehensive loss for the period (unaudited)	—	—	(55,871)	(55,871)
Issue of shares (unaudited)*	129,047	—	—	129,047
Recognition of equity-settled share-based payments (unaudited)	—	5,977	—	5,977
At 30 September 2025 (unaudited)	688,296	234,013	(701,484)	220,825

* In September 2025, the Company entered into investment agreements with certain Pre-[REDACTED] investors and the Company received total capital contributions of RMB100,000,000 on 30 September 2025, of which RMB3,178,000 is to subscribe the Company’s newly issued shares with par value of RMB1 per share and RMB96,822,000 is to be recorded as capital reserve. As at 30 September 2025, although all the conditions stipulated in the investment agreements were satisfied, the change of the Company’s industrial and commercial registration has not been completed. Therefore, RMB3,178,000 was temporarily credited to capital reserve instead of share capital as at 30 September 2025, and were included in the weighted average number of ordinary shares while calculating loss per share attributable to ordinary equity holders of the parent for the nine months ended 30 September 2025 (note 12). On 26 December 2025, the change of industrial and commercial registration was completed, and accordingly, the amount of RMB3,178,000 was reclassified from capital reserve to share capital.

28. SHARE-BASED PAYMENTS

The Company established four employee incentive platforms of Beijing Wuhe Tongyuan No.1 Enterprise Management Center (Limited Partnership), Beijing Wuhe Tongyuan No.2 Enterprise Management Center (Limited Partnership), Beijing Wuhe Tongyuan No.4 Enterprise Management Center (Limited Partnership) and Beijing Wuhe Tongyuan No.5 Enterprise Management Center (Limited Partnership) (collectively referred to as the “Wuhe Tongyuan platforms”) in the PRC in January 2020, January 2021, June 2021 and December 2021, respectively.

Incentive Plans Prior to the Relevant Period

Prior to the Relevant Period, the Group implemented two employee incentive plans on 28 December 2020 and 30 December 2021, respectively (collectively, the “Incentive Plans Prior to the Relevant Period”). 1,897,107 and 1,708,100 restricted share units (“RSUs”) were granted to 150 employees under the Incentive Plans Prior to the Relevant Period through Wuhe Tongyuan platforms, and the fair value of the RSUs granted was determined to be both at RMB27.85 per RMB1 registered capital unit of the platform as at the respective grant date, with reference to the valuations of recent Pre-[REDACTED] Investments. Out of the 3,605,207 RSUs granted, 373,991 RSUs granted were vested immediately, the vesting conditions for all the remaining 3,231,216 RSUs granted were subject to a service period condition ranging from 3 to 5 years. As at 1 January 2024, the outstanding RSUs granted under the Incentive Plans Prior to the Relevant Period were 2,654,140, and the balance of the Group’s share-based payment reserve was RMB211,727,000.

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During the Relevant Period and the nine months ended 30 September 2025, the Group implemented additional employee incentive plans as follows:

2025 Incentive Plan

On 29 September 2025, an employee incentive plan (the “2025 Incentive Plan”) was approved by the shareholders of the Company, and the grant amount and vesting period for each grantee were determined based on the employees’ position and contribution to the Group. The vesting conditions of the granted share awards are subject to a service period vesting condition ranging from 3 to 5 years. 575,000 (unaudited) RSUs were granted under 2025 Incentive Plan to employees through Wuhe Tongyuan platforms during the nine months ended September 2025, and the fair value of the RSUs was determined to be RMB31.47 per RMB1 registered capital unit of the platform as at the grant date, with reference to the valuation of recent Pre-[REDACTED] Investments.

Employee Share Transfer

During the Relevant Period and the nine months ended 30 September 2025, Mr. Huang Yue Sheng, the chairman and general partner of Wuhe Tongyuan platforms, repurchased 211,000 and 75,000 (unaudited) RSUs held by the resigned employees, respectively. The RSUs repurchased by Mr. Huang Yue Sheng were accounted for as immediately vested share-based payments and the Group recognised the share-based payment expenses with reference to the valuation of recent Pre-[REDACTED] Investments after deducting the repayment settled with the resigned employees.

The movement of the outstanding RSUs granted to employees is as follows:

	<u>Number of RSUs</u> <i>’000</i>
At 1 January 2024	2,654
Granted	211
Vested	601
Forfeited	<u>211</u>
Exercisable as of 31 December 2024	<u><u>2,053</u></u>
At 1 January 2025	2,053
Granted	650
Vested	1,135
Forfeited	<u>75</u>
Exercisable as of 30 September 2025 (unaudited)	<u><u>1,493</u></u>

During the Relevant Period and the nine months ended 30 September 2024 and 2025, the Group recognised share-based payment reserve of RMB21,551,000, RMB17,626,000 (unaudited) and RMB7,108,000 (unaudited), respectively. The share-based payment expenses charged into profit or loss amounted to RMB20,708,000, RMB16,985,000 (unaudited) and RMB6,508,000 (unaudited), respectively, and capitalised in inventory costs amounted to RMB843,000, RMB641,000 (unaudited) and RMB600,000 (unaudited), respectively.

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29. COMMITMENTS

The Group and the Company had the following contracted commitments at the end of the Relevant Period and the nine months ended 30 September 2025:

The Group

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> (<i>unaudited</i>)
Property, plant and equipment	16,328	13,613

The Company

	As at 31 December 2024 <i>RMB'000</i>	As at 30 September 2025 <i>RMB'000</i> (<i>unaudited</i>)
Property, plant and equipment	9,876	11,388

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Interest- bearing bank and other borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Long-term payables on purchases of intangible assets <i>RMB'000</i>	Accrued [REDACTED] included in other payables and accruals <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	229,400	1,892	7,234	—	238,526
Changes from financing cash flows	(16,590)	—	(7,500)	—	(24,090)
Interest expense (<i>note 7</i>)	10,176	98	266	—	10,540
As at 31 December 2024 and 1 January 2025	222,986	1,990	—	—	224,976
Changes from financing cash flows (unaudited)	(16,560)	—	—	(376)	(16,936)
Changes from operating cash flows (unaudited)	—	—	—	(1,532)	(1,532)
Interest expense (unaudited) (<i>note 7</i>)	6,142	78	—	—	6,220
Increase in deferred [REDACTED] (unaudited)	—	—	—	[REDACTED]	[REDACTED]
[REDACTED] (unaudited)	—	—	—	[REDACTED]	[REDACTED]
As at 30 September 2025 (unaudited)	212,568	2,068	—	1,024	215,660

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(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Within operating activities	442	230	301

31. PLEDGE OF ASSETS

Details of the Group’s assets pledged for the Group’s bank and other borrowings are included in notes 13, 14 and 23, respectively, to the Historical Financial Information.

32. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name	Relationship
Mr. Huang Yue Sheng	Chairman of the Company
Mr. Hu Ding Fei	Director of the Company
Mr. Yu Xie Cai	Director of the Company

(b) Outstanding balances with related parties:

The Company

	As at 31 December 2024	As at 30 September 2025
	RMB'000	RMB'000
		(unaudited)
Due from subsidiaries		
— current (trading nature)	16,117	—
— current (non-trading nature)	—	160
Due to subsidiaries		
— current (trading nature)	6,783	23,090

Amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

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(c) **Compensation of key management personnel of the Group:**

	Year ended 31 December	Nine months ended 30 September	
	2024	2024	2025
	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)
Fees	278	203	225
Salaries, bonuses, allowances and benefits in kind	7,878	5,284	4,603
Pension scheme contributions	579	442	366
Equity-settled share-based payment expense	10,521	9,513	3,397
Total compensation paid to key management personnel	19,256	15,442	8,591

Further details of directors’, supervisors’ and the chief executive’s remuneration are included in note 8 to the Historical Financial Information.

(d) **Bank borrowings guaranteed by related parties**

The Group

The Company’s chairman Mr. Huang Yue Sheng and his spouse have guaranteed certain of the Group’s bank borrowings amounting to RMB81,500,000 and RMB50,500,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively. The Company’s chairman Mr. Huang Yue Sheng has guaranteed certain of the Group’s bank borrowings amounting to RMB85,292,000 and RMB106,608,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively. The Company’s directors Mr. Hu Ding Fei and Mr. Yu Xie Cai have guaranteed certain of the Group’s bank borrowings of RMB55,950,000 and RMB52,250,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively (note 23).

The Company

The Company’s chairman Mr. Huang Yue Sheng and his spouse have guaranteed certain of the Company’s bank borrowings amounting to RMB81,500,000 and RMB50,500,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively. The Company’s chairman Mr. Huang Yue Sheng has guaranteed certain of the Company’s bank borrowings amounting to RMB19,342,000 and RMB39,358,000 (unaudited) as at 31 December 2024 and 30 September 2025, respectively (note 23).

The Company’s subsidiary Guangxi Wehand-Bio has guaranteed certain bank borrowings amounting to RMB1,000,000 and nil (unaudited) as at 31 December 2024 and 30 September 2025, respectively.

(e) **Redemption rights of the Pre-[REDACTED] Investors granted by the Single Largest Group of Shareholders as defined in the Application Proof**

The Group and the Company

Prior to the nine months ended 30 September 2025, Mr. Huang Yue Sheng, Mr. Hu Ding Fei and Mr. Yu Xie Cai (collectively, the “Single Largest Group of Shareholders”) granted the Pre-[REDACTED] Investors with the redemption right (the “SLS Redemption Right”). The Company is not a party to the SLS Redemption Right. Pursuant to another supplemental agreement entered into by the Company and the Shareholders in February 2026, the SLS Redemption Right was terminated prior to the first submission of the Application Proof to the Stock Exchange.

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The Company has not provided any form of guarantee in connection with any potential default or failure by the Single Largest Group of Shareholders to fulfill their obligations relating to SLS Redemption Right. Accordingly, no financial liability regarding SLS Redemption Right was recorded during the Relevant Period and the nine months ended 30 September 2025.

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of the Relevant Period and the nine months ended 30 September 2025 are as follows:

Financial assets

The Group

As at 31 December 2024

	Financial assets at fair value through profit or loss <i>RMB’000</i>	Financial assets at amortised cost <i>RMB’000</i>	Total <i>RMB’000</i>
Trade receivables	—	45,962	45,962
Financial assets included in prepayments, other receivables and other assets	—	1,746	1,746
Financial assets at fair value through profit or loss	15,052	—	15,052
Cash and cash equivalents	—	111,447	111,447
Time deposits	—	55,000	55,000
Total	15,052	214,155	229,207

As at 30 September 2025 (unaudited)

	Financial assets at fair value through profit or loss <i>RMB’000</i>	Financial assets at amortised cost <i>RMB’000</i>	Total <i>RMB’000</i>
Trade receivables	—	54,840	54,840
Financial assets included in prepayments, other receivables and other assets	—	2,883	2,883
Cash and cash equivalents	—	162,255	162,255
Time deposits	—	65,000	65,000
Total	—	284,978	284,978

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The Company

As at 31 December 2024

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	—	45,957	45,957
Financial assets included in prepayments, other receivables and other assets	—	480	480
Financial assets at fair value through profit or loss	15,052	—	15,052
Cash and cash equivalents	—	73,963	73,963
Time deposits	—	55,000	55,000
Total	15,052	175,400	190,452

As at 30 September 2025 (unaudited)

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	—	54,839	54,839
Financial assets included in prepayments, other receivables and other assets	—	1,875	1,875
Cash and cash equivalents	—	147,309	147,309
Time deposits	—	65,000	65,000
Total	—	269,023	269,023

Financial liabilities

The Group

As at 31 December 2024

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables	8,636
Financial liabilities included in other payables and accruals	92,125
Interest-bearing bank and other borrowings	222,986
Total	323,747

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APPENDIX I

ACCOUNTANTS’ REPORT

As at 30 September 2025 (unaudited)

	Financial liabilities at amortised cost <i>RMB’000</i>
Trade payables	3,728
Financial liabilities included in other payables and accruals	73,172
Interest-bearing bank and other borrowings	<u>212,568</u>
Total	<u><u>289,468</u></u>

The Company

As at 31 December 2024

	Financial liabilities at amortised cost <i>RMB’000</i>
Trade payables	463
Financial liabilities included in other payables and accruals	74,157
Interest-bearing bank and other borrowings	<u>139,545</u>
Total	<u><u>214,165</u></u>

As at 30 September 2025 (unaudited)

	Financial liabilities at amortised cost <i>RMB’000</i>
Trade payables	334
Financial liabilities included in other payables and accruals	51,080
Interest-bearing bank and other borrowings	<u>127,692</u>
Total	<u><u>179,106</u></u>

For the details of Pre-[REDACTED] investments, please refer to note 26 to this report.

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group’s financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	As at 31 December 2024	As at 30 September 2025	As at 31 December 2024	As at 30 September 2025
	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>
Financial assets				
Financial assets at fair value through profit or loss	<u>15,052</u>	<u>—</u>	<u>15,052</u>	<u>—</u>

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ACCOUNTANTS’ REPORT

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables, interest-bearing bank and other borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts.

The Group’s finance department headed by the financial manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of time deposits, the non-current portion of financial asset included in prepayments, other receivables and other assets, the non-current portion of other payables and accruals and the non-current portion of financial liabilities included in interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group’s own non-performance risk for interest-bearing bank and other borrowings as at the end of the Relevant Period and 30 September 2025 were assessed to be insignificant.

The Group invests in structured deposit products issued by banks in Chinese Mainland. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			Total RMB’000
	Quoted prices in active markets (Level 1) RMB’000	Significant observable inputs (Level 2) RMB’000	Significant unobservable inputs (Level 3) RMB’000	
Financial assets at fair value through profit or loss	—	15,052	—	15,052

During the Relevant Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, interest-bearing bank and other borrowings, financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables and other payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are interest rate risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarised below.

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Interest rate risk

The Group’s exposure to the risk of changes in market interest rates relate primarily to the Group’s long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group’s loss before tax (through the impact on floating rate borrowings) and the Group’s equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss before tax RMB’000	(Decrease)/ Increase in equity RMB’000
Year ended 31 December 2024	100/(100)	193/(193)	(193)/193
Nine months ended 30 September 2025	100/(100)	194/(194)	(194)/194

Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, trade receivables and financial assets included in prepayments, other receivables and other assets. The carrying amounts of each class of the above financial assets represent the Group’s maximum exposure to credit risk in relation to financial assets.

The Group trades mainly with recognised and creditworthy third parties. In addition, receivable balances are monitored on an on-going basis and the Group’s exposure to bad debts is not significant.

Maximum exposure and year/period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year/period-end staging classification. The amounts presented are gross carrying amounts for financial assets.

31 December 2024	12-month	Lifetime ECLs			
	ECLs				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	47,027	47,027
Prepayments, other receivables and other assets — Normal**	2,283	—	—	—	2,283
Cash and cash equivalents — Not yet past due	111,447	—	—	—	111,447
Time deposits of more than three months — Not yet past due	55,000	—	—	—	55,000
Total	168,730	—	—	47,027	215,757

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30 September 2025 (unaudited)	12-month	Lifetime ECLs			
	ECLs				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	54,965	54,965
Prepayments, other receivables and other assets — Normal**	3,434	—	—	—	3,434
Cash and cash equivalents — Not yet past due	162,255	—	—	—	162,255
Time deposits of more than three months — Not yet past due	65,000	—	—	—	65,000
Total	230,689	—	—	54,965	285,654

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 17 to the Historical Financial Information.

** The credit quality of financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 17 to the Historical Financial Information.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group’s financial liabilities as at the end of the Relevant Period and 30 September 2025, based on the contractual undiscounted payments, is as follows:

As at 31 December 2024				
	Less than	1 to 5 years	Over 5 years	Total
	1 year or on			
	demand			
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	8,636	—	—	8,636
Financial liabilities included in other payables and accruals	92,125	—	—	92,125
Lease liabilities	—	1,161	1,250	2,411
Interest-bearing bank and other borrowings	126,882	91,670	20,700	239,252
Total	227,643	92,831	21,950	342,424

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	As at 30 September 2025 (unaudited)			
	Less than 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	3,728	—	—	3,728
Financial liabilities included in other payables and accruals	73,172	—	—	73,172
Lease liabilities	1,161	1,250	—	2,411
Interest-bearing bank and other borrowings	142,843	60,978	20,400	224,221
Total	220,904	62,228	20,400	303,532

Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares. The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratios as at the end of each of the Relevant Period and 30 September 2025 were as follows:

	As at 31 December 2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
Total liabilities	393,698	356,441
Total assets	678,377	732,511
Gearing ratio	58%	49%

36. EVENT AFTER 30 SEPTEMBER 2025

The Group has evaluated the events subsequent to 30 September 2025 and noted no significant subsequent events.

37. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 September 2025.

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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[REDACTED]

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix summarizes the principal provisions of the Company’s Articles of Association, which shall take effect on the date of the H Shares being [REDACTED] on the Hong Kong Stock Exchange. As the primary purpose of this appendix is to provide an overview of the Company’s Articles of Association, it does not necessarily contain all of the information that is important to [REDACTED].

ISSUE OF SHARES

The shares of the Company are in registered form. The Company shall issue shares in an open, fair and just manner, and each share of the same class shall carry the same rights and benefits. Shares of the same class in the same issue shall be issued on the same conditions and at the same price. The same price shall be payable for each of the shares subscribed for.

All shares issued by the Company shall be shares with a par value of RMB1.00 each.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

In light of the Company’s operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a separate resolution of the general meeting of shareholders, by any of the following methods:

- (i) Issuing shares to non-specific objects;
- (ii) Issuing shares to specific objects;
- (iii) allotment of bonus shares to existing shareholders;
- (iv) conversion of funds in the capital reserve to share capital;
- (v) other means stipulated by laws, administrative regulations and regulatory rules of the place where the Company’s shares are listed or those approved by China Securities Regulatory Commission (“CSRC”).

The Company may reduce its registered capital. Any reduction of the Company’s registered capital shall be subject to the procedures prescribed in the Company Law, the Hong Kong Listing Rules and other relevant regulations, as well as the articles of Association.

Without contravening any law, regulation, the Hong Kong Listing Rules and the provisions of the Articles of Association, the Company may repurchase its shares in accordance with the law, administrative regulations, departmental rules and the provisions of the Articles of Association under any of the following circumstances:

- (i) Where the Company reduces its registered capital;
- (ii) Where the Company merges with another company that holds its shares;
- (iii) Where the Company acquires its own shares for employee stock ownership plans or equity incentives;
- (iv) Where a shareholder objects to the resolution of the general meeting of shareholders on the merger or division of the Company and requests the Company to purchase the shares that he/she/it holds;

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- (v) Where the Company acquires its own shares for converting convertible corporate bonds issued by the Company that are convertible into shares; or
- (vi) Where the Company needs to purchase its own shares to maintain its value and the rights and interests of shareholders.

Except for the circumstances mentioned above, the Company shall not trade in its own shares.

The Company may repurchase its shares through public centralized trading, or through other means as permitted by the laws, administrative regulations, provisions of the Hong Kong Listing Rules, CSRC and the Hong Kong Stock Exchange. Where the Company repurchases its shares under the circumstances specified in items (iii), (v), and (vi) above, such repurchase shall be conducted through public centralized trading.

Where the Company repurchases its shares under the circumstances specified in items (i) and (ii) above, such repurchase shall be subject to a resolution of the general meeting of shareholders. Where the Company repurchases its shares under the circumstances specified in items (iii), (v), and (vi) above, the Company may, pursuant to the Articles of Association or as authorized by the general meeting of shareholders, proceed with such purchase, upon a resolution at a meeting of the board of directors attended by more than two-thirds of the directors.

The shares acquired by the Company under the circumstance stipulated in item (i) above shall be canceled within ten days from the date of acquisition; the shares shall be transferred or canceled within six months where the repurchase is made under the circumstances stipulated in either item (ii) or item (iv); and the shares held in aggregate by the Company after a share buyback under any of the circumstances stipulated in item (iii), item (v) or item (vi) shall not exceed 10% of the total shares that have been issued by the Company, and shall be transferred or canceled within three years.

Where the Company repurchases its H Shares pursuant to the provisions of the Articles of Association, it may, at its option, have such H Shares cancelled immediately or hold them as treasury shares in accordance with the Hong Kong Listing Rules. The Company shall deposit the treasury shares in a segregated account in the Central Clearing and Settlement System (CCASS), with clear instructions to ensure such Shares are clearly identifiable as treasury shares. The Company shall not exercise any rights in respect of the treasury shares, and no dividend will be declared or paid in respect of the treasury shares.

After repurchasing its shares, the Company shall fulfill its information disclosure obligations in accordance with the Hong Kong Listing Rules, other applicable laws and regulations, and the regulatory requirements of the place where the Company’s shares are listed.

SHARE TRANSFER

The shares of the Company may be transferred in accordance with the law. Transfer of all H Shares shall be executed with a written transfer instrument in a common format or other format accepted by the Board of Directors (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); such instrument of transfer may only be executed by hand or by the transferor/transferee affixing its valid seal (if the transferor or transferee is a company). If the transferor or transferee of the Company’s shares is a recognized clearing house (the “**Recognized Clearing House**”) or its agent as defined in the relevant ordinances in force from time to time under Hong Kong laws, the written transfer

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document may be signed in the form of manual signature or machine-printed signature. All transfer instruments must be lodged with the Company’s registered address or other places as the Board of Directors may from time to time specify.

The Company shall not accept its own shares as the subject matter of a pledge.

Shares issued by the Company prior its public offering of shares shall not be transferred within 1 year from the date on which the Shares of the Company are listed and traded on a stock exchange. Where laws, administrative regulations, the securities regulatory authorities under the State Council or the Hong Kong securities regulatory authorities provide otherwise for the transfer of the Company’s shares held by the Company’s shareholders or de facto controllers, such provisions shall prevail.

The directors and senior management members of the Company shall declare to the Company the shares of the Company they hold and any change thereof. During their tenure as determined at the time of taking office, the number of shares they transfer each year shall not exceed 25% of the total number of shares of the Company they hold. The above-mentioned persons shall not transfer the shares of the Company they hold within six months after leaving their positions. Where otherwise provided by the Hong Kong securities regulatory authorities, such provisions shall prevail.

Where Directors, senior management members of the Company or shareholders holding 5% or more of the Company’s shares sell the shares or other equity-linked securities of the Company held by them within six months after purchase, or repurchase such securities within six months after sale, any profits arising therefrom shall accrue to the Company, and the Board of Directors of the Company shall recover such profits. This shall not apply to securities companies that hold 5% or more of the Company’s shares as a result of acquiring unsold shares remaining under underwriting commitments, nor to any other circumstances as prescribed by relevant laws and regulations, the CSRC or the securities regulatory authority of the place where the Company’s shares are listed.

For the purposes of the preceding paragraph, the shares or other equity-linked securities held by directors, senior management members and individual shareholders holding 5% or more of the Company’s shares include shares or other equity-linked securities held by their spouses, parents and children, or held through accounts of other persons.

If the Board of Directors of the Company fails to comply with the aforesaid provision the shareholders have the right to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders have the right to directly institute legal proceedings in their own names in the People’s Court for the interests of the Company. And if the Board of Directors fails to implement the aforesaid provisions, the liable directors shall bear joint and several liabilities in accordance with the law.

For transfer restrictions set out in the preceding paragraph involving H Shares, the relevant provisions of the Hong Kong securities regulatory authorities shall be complied with.

SHAREHOLDERS AND GENERAL MEETINGS OF SHAREHOLDERS

Shareholders

The Company shall keep a register of shareholders based on the certificates provided by the share registrar and settlement institution. The register of shareholders shall be sufficient evidence proving the shareholders’ holding of the Company’s shares. The original register of

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holders of H Shares shall be maintained in Hong Kong and the appointed overseas agent shall ensure consistency between the original version and the duplicate register of holders of overseas listed shares at all times. The Company shall ensure that the Hong Kong branch register of shareholders is available for inspection by shareholders, whilst the Company may suspend registration of changes to the register of shareholders in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

If a holder of H Shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the laws, the rules of the stock exchange and other relevant requirement of the place where the original register of holders of overseas listed shares is maintained.

In respect of the joint holders of any shares, only the joint holder who stands first on the register of shareholders has the right to take over the share certificates of the relevant shares and receive notices from the Company. Any notices served to the aforesaid person shall be deemed to have been served to all joint holders of the underlying shares. Any joint shareholder may sign a proxy form, provided that if more than one joint shareholders attend the general meeting of shareholders in person or by proxy, the vote of the senior joint shareholder who casts a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of shareholders in respect of the joint shareholding.

The shareholders of the Company shall enjoy the following rights:

- (i) the right to receive dividends and profit distributions in any other form in proportion to their shareholdings;
- (ii) the right to request, convene, preside over, attend or appoint a proxy to attend general meetings of shareholders, and exercise corresponding rights to speak and vote at general meetings of shareholders in accordance with the law; (except for situations where voting rights are required to be waived on specific matters in accordance with the securities regulatory rules of the place where the Company’s shares are listed);
- (iii) the right to supervise, present suggestions on or make inquiries about the operations of the Company;
- (iv) the right to transfer, give as gift or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;
- (v) the right to review and make copies of the Articles of Association, register of shareholders, minutes of general meetings of shareholders, resolutions of the Board meetings, and financial and accounting reports; Eligible shareholders may review the accounting books and certificates of the Company;
- (vi) the right to participate in the distribution of the remaining property of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

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- (vii) the right to require the Company to purchase their shares if they object to the resolutions of the general meeting of shareholders on the combination or division of the Company;
- (viii) such other rights as are provided for by laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules in the place where the Company's shares are listed or the Articles of Association.

Shareholders requesting to review or make copies of relevant materials of the Company shall comply with the provisions of the Company Law, the Securities Law, other laws, administrative regulations, as well as the securities regulatory rules of the place where the Company's shares are listed. If any shareholder needs to access the relevant information or obtain materials as set out in the preceding article, the said shareholder shall provide the Company with written documents bearing evidence of the class and number of shares held by him/her/it, and the Company will provide the said information or materials as required by the said shareholder upon verification of the shareholder's identity.

The Company shall establish effective communication channels with shareholders, set up specialized departments and assign dedicated personnel to be responsible for shareholder engagement, visitor reception, information disclosure and handling of enquiries, so as to ensure that shareholders are entitled to the right to know and the right to participate in major corporate matters as prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

In the event that any resolution of the general meetings of shareholders or Board meetings of the Company violates any laws or administrative regulations, shareholders are entitled to file a petition to the competent People's Court to declare such resolution invalid.

In the event that the convening of a general meeting of shareholders or Board meeting or any voting procedure in such meetings violates the laws, administrative regulations or the Articles of Association, or the contents of any resolution violate the provisions of the Articles of Association, shareholders shall have the right to file a petition to the competent People's Court to have such resolution revoked within 60 days from the date of the resolution. However, this shall not apply if the convening procedures or voting methods of a general meeting of shareholders or a Board meeting involve only minor irregularities that do not materially affect the resolution.

A resolution of a general meeting of shareholders or Board meeting of the Company shall be deemed invalid under any of the following circumstances:

- (i) The resolution has been made without the convening of a general meeting of shareholders or Board meeting;
- (ii) The resolution has been made without voting at the general meeting of shareholders or Board meeting;
- (iii) The number of persons attending or votes represented at the meeting fails to reach the number of persons attending or votes represented required by the Company Law or the Articles of Association;
- (iv) The number of persons attending or votes represented at the meeting voting in favor of the matter to be resolved fails to reach the number of persons or votes represented required by the Company Law or the Articles of Association.

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Where a director or a senior management member violate violates laws, administrative regulations or the Articles of Association when performing his/her duties for the Company, thus causing losses to the Company, the shareholders who either alone or jointly having been holding more than one percent (1%) of shares of the Company for one hundred and eighty (180) consecutive days or more shall have the right to submit a written request asking the Audit Committee to institute legal proceedings with the People’s Court; where a member of the Audit Committee violates the provisions of laws, administrative regulations or the Articles of Association when performing his/her duties for the Company, thus causing losses to the Company, the aforesaid shareholders may submit a written request asking the Board of Directors to institute legal proceedings with the People’s Court.

In the event that a director or a senior management member violates laws, administrative regulations or the articles of Association, thus causing damage to the interests of shareholders, the shareholders may institute legal proceedings before the People’s Court.

The shareholders of the Company shall undertake the following obligations:

- (i) to comply with laws, administrative regulations and the Articles of Association;
- (ii) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (iii) not to withdraw share capital unless in the circumstances stipulated by laws and regulations;
- (iv) not to abuse shareholder’s rights to prejudice the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company or shareholder’s limited liability to prejudice the interests of creditors of the Company; and
- (v) other obligations stipulated by the laws, administrative regulations, departmental rules and regulatory documents, the Listing Rules of the stock exchange where the Company’s shares are listed and the Articles of Association.

Where a shareholder of the Company abuses the rights of shareholders and causes losses to the Company or other shareholders, they shall be liable for compensation in accordance with the law. Where a shareholder of the Company abuses the Company’s independent legal person status and the limited liability of the shareholders to evade debts, thereby seriously prejudicing the interests of the Company’s creditors, such shareholder shall be jointly and severally liable for the debts of the Company.

Any shareholder holding more than 5% of the voting shares in the Company shall submit a written report to the Company on the same day such shareholder pledges any of its shares.

The Company shall not provide the shareholders or de facto controllers with funds, commodities, services or other assets gratis or on manifestly unfair terms; shall not provide funds, commodities, services or other assets to the shareholders or de facto controllers who are noticeably unable to make repayment; shall not provide guarantees to the shareholders or de facto controllers who are noticeably unable to make repayment or provide guarantees to the shareholders or de facto controllers without justifiable reasons; and shall not, without justifiable reasons, relinquish creditors’ rights against the shareholders or de facto controllers or assume debts of the shareholders or de facto controllers. Such transactions as provision of funds, commodities, services or other assets between the Company and the shareholders or de facto

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controllers shall be deliberated by the Board and the general meeting of shareholders in strict accordance with the decision-making policies for connected transactions and all connected directors and shareholders shall abstain from voting.

The controlling shareholders and de facto controllers of the Company shall not use the connected relations to the detriment of the interests of the Company; otherwise, they shall be liable for compensation for any loss incurred to the Company. The controlling shareholder and de facto controller of the Company have fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws and shall not infringe upon the legitimate rights and interests of the Company and its other shareholders through profit distribution, asset restructuring, external investments, fund appropriation and loan guarantees, and shall not use their controlling status to prejudice the interests of the Company and its other shareholders.

General Provisions for the General Meetings of Shareholders

The general meeting of shareholders is the organ of power of the Company and shall exercise the following duties and powers in accordance with the law:

- (i) To elect and replace directors, and to decide on matters relating to their remuneration;
- (ii) To consider and approve reports of the Board of Directors;
- (iii) To consider and approve the profit distribution plans and loss recovery plans of the Company;
- (iv) To adopt resolutions on the increase or reduction of the registered capital of the Company and the issue of any type of shares, share warrants and other similar securities;
- (v) To adopt resolutions on the issuance of corporate bonds by the Company;
- (vi) To adopt resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) To adopt resolutions on the engagement and dismissal of the accounting firm undertaking the Company’s audit business;
- (ix) To consider and approve the guarantees set out in Article 43 of the Articles of Association;
- (x) To consider matters in respect of purchase and disposal of major assets by the Company within one year, or a guarantee amount exceeding 30% of the Company’s latest audited total assets;
- (xi) To consider and approve connected transactions required to be considered by the general meeting of shareholders as stipulated in the Hong Kong Listing Rules;
- (xii) To consider equity-based incentive programme and employee share ownership plans;

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- (xiii) To consider and approve the changes in the use of raised funds;
- (xiv) To consider other matters to be resolved at the general meeting of shareholders in accordance with the provisions of laws, administrative regulations, departmental rules, normative documents, the Articles of Association or the Hong Kong Listing Rules.

The general meeting of shareholders of the Company may authorize the Board of Directors to issue shares and corporate bonds, and the specific implementation shall comply with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, the securities regulatory authority of Hong Kong and the stock exchange where the Company's shares are listed.

In the event of any inconsistency between the matters required to be resolved by the general meeting of shareholders as stipulated in the articles of Association and the provisions of the listing rules of the stock exchange where the Company's shares are listed, the provisions of the listing rules of the stock exchange where the Company's shares are listed shall prevail.

The following external guarantees by the Company shall be submitted to the general meeting of shareholders for deliberation and approval after being reviewed and approved by the Board of Directors:

- (i) The provision of a single guarantee the amount of which exceeds 10% of the Company's latest audited net assets;
- (ii) Any guarantee provided after the total amount of the external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the Company's latest audited net assets;
- (iii) The provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (iv) Any guarantee provided after the total amount of the external guarantees provided by the Company reaches or exceeds 30% of the latest audited total assets;
- (v) Guarantees provided by the Company within one year and with an aggregate amount exceeding 30% of the Company's latest audited total assets;
- (vi) Guarantees provided to shareholders, actual controllers and their connected parties;
- (vii) Other guarantees as stipulated in the Hong Kong Listing Rules or the Articles of Association.

In the event of any inconsistency between the external guarantees required to be resolved by the general meeting of shareholders as stipulated in the preceding paragraph and the provisions of the listing rules of the stock exchange where the Company's shares are listed, the provisions of the listing rules of the stock exchange where the Company's shares are listed shall prevail.

The general meetings of shareholders include the annual general meetings of shareholders and the extraordinary general meetings of shareholders. The annual general meeting of shareholders is convened once every year and shall be held within six months after the end of the previous accounting year.

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The Company shall convene an extraordinary general meeting of shareholders within two months from the date of the occurrence of any of the following circumstances:

- (i) Where the number of directors is less than the number stipulated by the Company Law or two-thirds of the number prescribed in the Articles of Association;
- (ii) Where the uncovered losses of the Company reach one-third of the paid-in share capital;
- (iii) Where it is requested by a shareholder individually or shareholders collectively holding more than 10% of the Company’s shares (excluding the Company’s treasury shares);
- (iv) Where the Board of Directors considers it necessary;
- (v) Where the Audit Committee proposes that such a meeting shall be held;
- (vi) Other circumstances prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

If an extraordinary general meeting of shareholders is convened in accordance with the securities regulatory rules of the place where the Company’s shares are listed, the actual convening date of the extraordinary general meeting of shareholders may be adjusted based on the approval progress of the stock exchanges where the Company’s shares are listed (if applicable).

Convening of the General Meeting of Shareholders

Unless otherwise stipulated in the Articles of Association, the general meeting of shareholders shall be convened by the Board of Directors. With the consent of more than half of independent non-executive directors, an extraordinary general meeting of shareholders may be convened upon proposal by independent non-executive directors to the Board. Concerning the proposal of convening an extraordinary general meeting of shareholders requested by the independent non-executive directors, the Board shall, in accordance with the requirements of the laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting of shareholders within 10 days upon receipt of the proposal. Where the Board of Directors agrees to convene an extraordinary general meeting of shareholders, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Where the Board of Directors does not agree to convene such meeting, the reasons shall be stated and announced. Where there are other provisions of the securities regulatory authority of Hong Kong, such provisions shall prevail.

The Audit Committee shall be entitled to make a proposal in writing to the Board on convening an extraordinary general meeting of shareholders. The Board shall, in accordance with the law, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting of shareholders within 10 days upon receipt of the proposal. Where the Board agrees to convene the extraordinary general meeting of shareholders, it shall serve a notice of convening the general meeting of shareholders within 5 days after the date of the resolution of the Board. Any change made to the original proposal in the notice shall be agreed by the Audit Committee. Where the

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Board disagrees to convene such a meeting, or fails to reply within 10 days upon receipt of the proposal, it shall be deemed that the Board cannot or does not perform its duty of convening the general meeting of shareholders, and the Audit Committee may convene and preside over it by itself.

Shareholders individually or jointly holding more than 10% of the total issued share capital of the Company (excluding the Company’s treasury shares) shall have the right to request the Board to convene an extraordinary general meeting of shareholders, and shall make such request to the Board in writing. The Board shall, pursuant to relevant laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, give a written reply on whether to convene the meeting or not within 10 days after receipt of the request. Where the Board agrees to convene the extraordinary general meeting of shareholders, it shall issue a notice of convening the general meeting of shareholders within 5 days after the date of the resolution of the Board. Any change made to the original request in the notice shall be agreed by the relevant shareholders. Where the Board disagrees to convene the extraordinary general meeting of shareholders or does not reply within 10 days upon receipt of the request, shareholders individually or collectively holding more than 10% of the total issued share capital of the Company (excluding the Company’s treasury shares) are entitled to request the Audit Committee in writing to convene an extraordinary general meeting of shareholders. Where the Audit Committee agrees to convene the extraordinary general meeting of shareholders, it shall issue a notice of convening the general meeting of shareholders within 5 days upon receiving the request. Any change made to the original proposal in the notice shall be agreed by the relevant Shareholders. Where the Audit Committee fails to issue a notice of general meeting of shareholders within the prescribed time limit, it shall be deemed that the Audit Committee does not convene and preside over the general meeting of shareholders, and Shareholders holding individually or in aggregate more than 10% of the total issued share capital of the Company (excluding the Company’s treasury shares) for more than 90 consecutive days can convene and preside over the general meeting of shareholders by themselves.

Where the Audit Committee or shareholders decide to convene a general meeting of shareholders by themselves, they shall take corresponding actions in accordance with the requirements and provisions of the Hong Kong listing regulatory rules. Before the announcement of the resolution of the general meeting of shareholders is made, the shareholders convening the meeting shall hold not less than 10% of the shares. The Audit Committee or the shareholders convening the meeting shall take corresponding actions in accordance with the requirements and provisions of the Hong Kong listing regulatory rules when issuing the notice of the general meeting of shareholders and the announcement of the resolutions of the general meeting of shareholders.

For a general meeting of shareholders convened by the Audit Committee or shareholders by themselves, the Board and the Secretary of the Board shall cooperate and provide necessary support. Where the Audit Committee or shareholders convene a general meeting of shareholders on their own, the expenses necessary for the meeting shall be borne by the Company.

Proposals and Notices of the General Meetings of Shareholders

The contents of the proposals to be raised shall be within the terms of reference of the general meeting of shareholders. It shall have definite topics to discuss and specific matters to resolve, and shall be in compliance with relevant requirements of the laws, administrative regulations, the Hong Kong Listing Rules, and the Articles of Association.

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When the Company intends to convene a general meeting of shareholders, the Board of Directors, the Audit Committee, and the shareholder(s) individually or jointly holding more than 1% of the Company’s shares shall have the right to make proposals to the Company.

The shareholders individually or jointly holding more than 1% of the Company’s shares may raise ad hoc proposals and submit them to the convenor before the deadline as required under the Hong Kong Listing Rules prior to the general meeting of shareholders. The convener shall, in accordance with the provisions of the Hong Kong Listing Rules, issue a supplementary notice of the general meeting of shareholders upon receipt of the proposal, informing the content of the interim proposal and submit the interim proposal to the general meeting of shareholders for deliberation. Provided that this shall not apply if the interim proposal violates the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association, or falls outside the scope of the functions and powers of the general meeting of shareholders.

Except as provided in the preceding paragraph, the convenor, after issuing the notice of the general meeting of shareholders, shall neither modify the proposals stated in the notice of general meetings of shareholders nor add new proposals. The general meeting of shareholders shall not vote or pass resolutions on proposals not listed in the notice of the general meeting of shareholders or those not in conformity with the preceding Article of the Articles of Association.

The convener shall give all shareholders written notice (including announcement) 21 days before the annual general meeting of shareholders is held, and 15 days before the extraordinary general meeting of shareholders is held.

A notice of general meeting of shareholders includes the following:

- (i) the time, venue, duration and form of the meeting (in-person meeting, virtual meeting or hybrid meeting);
- (ii) the matters and proposals to be considered at the meeting, with an indication of an ordinary resolution or a special resolution for each resolution;
- (iii) a conspicuous statement that all shareholders are entitled to attend the general meeting of shareholders and may appoint in writing proxies to attend and vote at the meeting on his/her behalf and such proxies need not be shareholders of the Company;
- (iv) the date of equity registration for shareholders who are entitled to attend the general meeting of shareholders;
- (v) the names and telephone numbers of the permanent contact persons for the matters of the general meeting of shareholders;
- (vi) the time and procedure for online voting or other means of voting at the meeting;
- (vii) other matters as stipulated by the laws, administrative regulations, normative documents and the Hong Kong Listing Rules.

Full and complete disclosure of the particulars of all proposals and all information or explanations necessary to enable shareholders to make reasonable judgements on the matters to be discussed shall be made in the notice of a general meeting of shareholders and supplementary

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notice. If the matters to be discussed require the opinion of the independent non-executive directors, such opinion and the reasons therefor shall be disclosed at the same time when the notice of the general meeting of shareholders or supplementary notice is issued.

Holding of General Meeting of Shareholders

All shareholders or their proxies registered in the register on the record date are entitled to attend the general meeting of shareholders and exercise voting rights in accordance with relevant laws, regulations, and the Articles of Association. A shareholder may attend the general meeting of shareholders in person or appoint a proxy to attend and vote on his/her/its behalf. The proxy need not be a shareholder of the Company.

An individual shareholder attending the meeting in person shall present his/her identity card or other valid documents or certificates that can indicate his/her identity; a proxy attending the meeting on behalf of others shall present his/her own valid identity documents and the power of attorney from the shareholder.

A corporate shareholder or other institutional shareholder shall be represented by its legal representative (person-in-charge)/executive partner or a proxy entrusted by the legal representative (person-in-charge)/executive partner. If the legal representative (person-in-charge)/executive partner attends the meeting, he/she shall present his/her identity card and valid proof of his/her status as legal representative (person-in-charge)/executive partner; if a proxy attends the meeting, the proxy shall present his/her identity card and a written power of attorney lawfully issued by the legal representative (person-in-charge)/executive partner of the corporate shareholder or institutional shareholder (except where the shareholder is a recognized clearing house as defined in relevant laws and regulations effective from time to time in Hong Kong or the securities regulatory rules of the places where the Company's shares are listed, or its agent). If corporate shareholder has already appointed a representative to attend the meeting, it shall be deemed to be attending in person.

Any shareholder entitled to attend and vote at a general meeting of shareholders is entitled to appoint one or more persons (who need not be a shareholder) as his/her proxy to attend and vote on his/her behalf. The shareholder proxy may exercise the following rights according to the authorization of the shareholder:

- (i) To speak in the general meeting of shareholders on behalf of the shareholder;
- (ii) To request the casting of ballots by himself or jointly with others;
- (iii) To exercise the voting right by show of hands or by ballot unless otherwise provided in relevant laws and regulations, regulatory documents, regulations of the Hong Kong securities and regulatory authorities and the Hong Kong Listing Rules; if more than one proxies are appointed, the shareholder proxies shall vote by ballot only.

A power of attorney issued by a shareholder for appointing another person to attend the general meeting of shareholders shall specify the following:

- (i) The name of the principal and the class and quantity of the Company's shares held;
- (ii) The name of the proxy;

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- (iii) Specific instructions of the shareholder, including instructions to vote in favour of, against, or abstain from voting on each review matter included in the agenda of the general meeting of shareholders;
- (iv) The date of issuance and the validity period of the power of attorney;
- (v) Signature (or seal) of the principal. If the principal is a corporate shareholder, it shall be affixed with the seal of the corporate entity;
- (vi) Other matters required to be specified by the listing regulatory rules of the places where the Company’s shares are listed.

The power of attorney should state whether the shareholder proxies may vote at their discretion if no specific instructions are given by the shareholder.

If the shareholder is a recognized clearing house as defined in the Securities and Futures Ordinance or relevant ordinances effective from time to time in Hong Kong or its proxy, it may appoint one or more persons deemed appropriate to be its proxy in any general meeting of shareholders. However, if more than one person are authorized, the letter of authority shall specify the number and type of shares of each of those persons covered by this authorization. The persons so authorized may represent the recognized clearing house (or its agent) (without the need to present a certificate of shareholding, notarized power of attorney and/or further evidence of formal authorization), and shall be entitled with the same statutory rights as other shareholders, including the rights to speak and vote, as if the persons were the Company’s individual shareholders.

The general meeting of shareholders shall be presided over by the Chairman of the Board. If the Chairman is unable or fails to perform his/her duties, it shall be presided over by a Director jointly recommended by more than half of the Directors. A general meeting of shareholders convened by the Audit Committee on its own shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, it shall be presided over by an Audit Committee member jointly recommended by more than half of the Audit Committee members. A general meeting of shareholders convened by shareholders on their own shall be presided over by the convener or a representative recommended by the convener. When convening a general meeting of shareholders, if the meeting chairperson violates the rules of procedure, making it impossible to continue the general meeting of shareholders, upon consent by shareholders holding more than half of the voting rights present at the general meeting of shareholders, the general meeting of shareholders may recommend one person to serve as the meeting chairperson and continue the meeting.

The Company shall formulate rules of procedure for the general meeting of shareholders, and specify in detail the convening and voting procedures of the general meeting of shareholders, including notification, registration, review of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and the execution thereof, announcements, etc., as well as the principles governing the authorization of powers by the general meeting of shareholders to the Board of Directors. The content of the authorization shall be clear and specific. The rules of procedure of the general meeting of shareholders shall be drafted by the Board of Directors and approved by the general meeting of shareholders, and is attached as an appendix to the Articles of Association.

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Voting and Resolutions at General Meetings of Shareholders

Resolutions of the general meeting of shareholders consist of ordinary resolutions and special resolutions. An ordinary resolution made by the general meeting of shareholders shall be passed by more than half of the voting rights (excluding treasury shares) held by shareholders (including proxies) present at the general meeting of shareholders. A special resolution made by the general meeting of shareholders shall be passed by more than two-thirds of the voting rights (excluding treasury shares) held by shareholders (including proxies) present at the general meeting of shareholders.

The following matters shall be passed by special resolutions of the general meeting of shareholders:

- (i) Increase or reduction of the Company’s registered capital, issuance of any class of shares, options and other similar types of securities;
- (ii) Issuance of corporate bonds;
- (iii) Spin-off, merger, division, dissolution and liquidation of the Company;
- (iv) Amendments to the Articles of Association;
- (v) Purchase and disposal of major assets by the Company within one year, or a guarantee amount exceeding 30% of the latest audited total assets of the Company;
- (vi) Any guarantees provided after the total amount of external guarantees provided by the Company has reached or exceeded 30% of the latest audited total assets;
- (vii) Equity incentive schemes;
- (viii) Change of the form of the Company;
- (ix) Other matters which are required to be passed by special resolution under laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company’s shares are listed, or the Articles of Association, and the matters which are supposed to have a significant impact on the Company if they are passed by ordinary resolution at a general meeting of shareholders.

The following matters shall be passed by ordinary resolutions of the general meeting of shareholders:

- (i) Work report of the Board of Directors;
- (ii) Profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (iii) Election and replacement of Directors, and matters related to their remuneration;
- (iv) The Company’s annual report;
- (v) Engagement and remuneration of accounting firm or determination of its remuneration;

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- (vi) Matters other than those that are required to be passed by special resolution as stipulated by laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company’s shares are listed, or the Articles of Association.

Shareholders (including proxies) exercise their voting rights based on the number of voting shares they represent. Each share carries one vote. When voting by ballot, shareholders (including shareholder proxies) who have two voting rights or more need not cast all the voting rights in favour or against a matter. Shares of the Company held by the Company itself carry no voting rights, and such shares shall not be included in the total number of voting shares present at the general meeting of shareholders.

Where any shareholder is, under the Hong Kong Listing Rules, required to waive his/her voting rights on a resolution or restricted to voting only for or against a resolution, he/she shall waive his/her voting rights or not cast his/her votes in compliance with such requirement, and any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted in the voting results.

When the general meeting of shareholders considers major issues that affect the interests of small and medium investors, the votes of small and medium investors shall be disclosed publicly in a timely manner in accordance with relevant laws and regulations and the Hong Kong Listing Rules.

If the purchase of the voting shares of the Company by a shareholder violates the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised within thirty-six (36) months after purchase, and such shares shall not be counted in the total number of voting shares of the shareholders present at the general meeting of shareholders.

The Company’s Board of Directors, independent non-executive directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, securities regulatory rules of the places where the Company’s shares are listed, or CSRC regulations may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, information including the specific voting intention shall be fully disclosed to the solicited parties. Solicitation of shareholders’ voting rights for valuable consideration or in any disguised form is prohibited. Except as stipulated by law, the Company shall not impose minimum shareholding ratio restrictions on the solicitation of voting rights.

When the general meeting of shareholders deliberates on matters concerning connected transactions, connected shareholders and their close associates (as defined in the Hong Kong Listing Rules) shall not participate in the voting. The number of voting shares they represent shall not be included in the total number of valid votes. The resolution of the general meeting of shareholders shall disclose the votes of non-connected shareholders.

The name list of candidates for the office of directors shall be submitted by way of proposal to the general meeting of shareholders for voting. When the general meeting of shareholders votes on the election of two or more directors, a cumulative voting system shall be adopted. Where directors are elected by cumulative voting at the general meeting of shareholders, independent non-executive directors and other directors shall be voted separately. The cumulative voting system referred to in the preceding paragraph refers to the fact that when directors are elected at the general meeting of shareholders, each share shall have

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the same number of voting rights as the number of directors to be elected, and the voting rights held by a shareholder can be collectively exercised. Directors to be elected shall be determined in descending order of the number of votes received, up to the number of directors to be elected.

Save under the cumulative voting system, the general meeting of shareholders shall vote on all proposals one by one. If there are different proposals on the same matter, they shall be voted on in the order of submission of the proposals. Except for the suspension of the general meeting of shareholders or the inability to make resolutions due to special reasons such as force majeure, the general meeting of shareholders shall not shelve or refrain from voting on proposals.

An in-person general meeting of shareholders shall not end earlier than that of the meetings conducted via electronic means or in any other manner. The chairperson of the meeting shall announce the details and results of the voting on each proposal, and declare whether a proposal is passed based on the voting results. Before the formal announcement of the voting results, the Company, vote counters, vote scrutineers, major shareholders, network service providers, and other relevant parties involved in the in-person, online and other voting methods of the general meeting of shareholders shall be obliged to keep the voting details confidential.

Shareholders present at a general meeting of shareholders shall express one of the following opinions on a proposal submitted for voting: being in favour of, being against or abstaining from voting, unless the securities registration and settlement institution, as the nominal holders of shares that can be traded through Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the de facto holders. Uncompleted paper ballots, wrongly completed paper ballots, paper ballots with illegible characters and uncast paper ballots shall be deemed as voters abstaining from their voting rights. The voting results of the shares they hold shall be counted as “abstained”. If the Hong Kong Listing Rules require any shareholder to abstain from voting on a resolution, or restrict any shareholder to vote only for or only against a resolution, any votes cast by or on behalf of such shareholder in contravention of such requirements or restrictions shall not be counted.

BOARD OF DIRECTORS

Directors

Directors of the Company comprise executive directors, non-executive directors and independent non-executive directors. A director of the Company shall be a natural person. The following persons shall not assume the roles of directors:

- (I) he/she does not possess civil capacity or possesses limited civil capacity;
- (II) he/she has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of societal economy, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed or the sentence has been suspended and less than two years have elapsed since the date of expiration of the probation period;
- (III) he/she was a former director, factory manager or general manager of a company or an enterprise which has been bankrupt and liquidated and was personally liable for the bankruptcy of such company or enterprise within a period of three years after the date of completion of the bankruptcy or liquidation of such company or enterprise;

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- (IV) he/she was a former legal representative of a company or an enterprise whose business license was revoked or which was ordered to close down as a result of violation of law and was personally liable for such revocation within a period of three years after the date of the revocation of said business license or the date of being ordered to close down;
- (V) he/she has been listed by the people’s court as a dishonest judgment debtor due to a relatively substantial amount of debts which have become overdue and outstanding;
- (VI) he/she is subject to the punishment of the CSRC, prohibiting them from entering into the securities market for a period which has not yet expired;
- (VII) he/she was subject to administrative penalty by the CSRC within the last three years;
- (VIII) he/she was subject to the public censure or, for three times or more, announced criticism by the Stock Exchanges within the past three years;
- (IX) he/she was publicly deemed by a stock exchange as unsuitable to serve as a director of a listed company;
- (X) he/she is unable to ensure sufficient time and commitment on the affairs of the Company during the terms of office in order to earnestly perform all the duties as a director;
- (XI) other matters stipulated by laws, administrative regulations or departmental rules or securities regulatory rules of the place where shares of the Company are listed.

Where the Company elects and appoints a director in violation of the foregoing requirements in this Article, such election, appointment or employment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

Directors shall be elected or replaced at a general meeting of shareholders, and any director (including an executive director) may be removed from office prior to the expiry of his/her tenure by way of an ordinary resolution passed at a general meeting of shareholders. Such removal shall not prejudice the director’s claim for damages under any contract. The term of office of a director shall be three years. Upon expiry of the term of office of a director, a director may be re-elected and re-appointed in accordance with the provisions of the securities regulations and rules of the places where the Company’s shares are listed. However, an independent non-executive Director shall not serve more than nine years consecutively. A director, before his/her term of office is expired, shall not be removed by the general meeting of shareholders without cause.

The term of a director shall last from the date of his/her appointment till the date of expiration of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a director, the said director shall continue to perform the duties as a director in accordance with the laws, administrative regulations, departmental rules, the securities regulations and rules of the places where the Company’s shares are listed and the Articles of Association until the newly elected director assumes his/her office.

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A director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office for a term commencing from the date of his/her appointment until the first annual general meeting of shareholders after his/her appointment, and shall then be eligible for re-election and re-appointment.

The general manager or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as the general manager or other senior management, shall not exceed 1/2 of all the directors of the Company.

Where the Company has three hundred or more employees, employee representative(s) shall be included among the members of the Board.

The independent non-executive directors should represent at least one-third of members of the Board. At least one of the Company’s independent non-executive directors has appropriate accounting or related financial management expertise. Independent non-executive directors must be independent, and shall not have any relationship with the Company or its substantial shareholders which could interfere with the exercise of their independent and objective judgment. Independent non-executive directors shall be equipped with adequate business or professional experience for competency, honestly fulfil their duties, and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders. At least one independent non-executive director shall reside in Hong Kong on a regular basis. The qualifications, procedure of nomination and election, term of office, resignation and powers and functions of independent non-executive directors shall be as specified by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and other applicable securities regulatory rules of the place where the Company’s Shares are listed. Unless otherwise stipulated herein, the provisions of the Articles of Association relating to the qualifications and duties of directors shall apply to independent non-executive directors. Matters relating to independent non-executive directors shall be handled in accordance with applicable laws, administrative regulations and the relevant provisions of the competent regulatory authorities and stock exchanges, and shall be further specified in the Company’s working rules for independent non-executive directors.

Board of Directors

The Company shall have a Board of Directors, which is accountable to the general meeting of shareholders. The Board shall comprise 9 directors, and shall have 1 chairman and 3 independent non-executive directors. The Company’s Board of Directors shall include one employee representative director. The composition and number of the Board of Directors shall comply with the provisions of the securities regulatory rules of the place where the Company’s shares are listed.

The Board of Directors shall exercise the following powers:

- (I) convene general meetings of shareholders and report to it;
- (II) implement resolutions of the general meeting of shareholders;
- (III) determine the Company’s business plans and investment proposals;
- (IV) decide the Company’s plans on annual financial budgets and final accounts;
- (V) formulate the Company’s profit-distribution and loss-recovery plans;

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- (VI) formulate plans for increasing or reducing the registered capital, issuing bonds or other securities, and listing of the Company;
- (VII) formulate plans for any substantial acquisition by the Company, repurchase of Shares or merger, division, dissolution and change in form of the Company;
- (VIII) decide on external investments, acquisitions or disposals of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, external donations and other matters as required to be decided by the Board of Directors under the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed, or within the scope of authorization granted by the general meeting of shareholders;
- (IX) determine the establishment of the Company’s internal management structures;
- (X) appoint or dismiss the general manager and determine their remuneration, rewards and penalties; and, upon nomination by the general manager, appoint or dismiss other senior management personnel of the Company, apart from the general manager, and determine their remuneration, rewards and penalties;
- (XI) formulate the Company’s basic management systems;
- (XII) prepare amendments to the Articles of Association;
- (XIII) manage information disclosure of the Company;
- (XIV) propose to the general meeting of shareholders the appointment or replacement of the accounting firm that audits the Company;
- (XV) receive reports from the general manager and review his/her performance;
- (XVI) develop and review the Company’s policies and practices on corporate governance and considering recommendations addressed to the Board;
- (XVII) review and monitor the training and continuous professional development of the Directors and senior management;
- (XVIII) review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (XIX) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- (XX) review the Company’s compliance with the Corporate Governance Code and disclosure in this Corporate Governance Report; and
- (XXI) exercise any other powers conferred by applicable laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

Matters beyond the scope of authorization of the general meeting of shareholders shall be submitted to the general meeting of shareholders for consideration.

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The chairman of the Board shall be elected by a majority of all directors. The chairman shall exercise the following powers:

- (I) preside over the general meeting of shareholders and to convene and preside over the meetings of the Board;
- (II) oversee and check the implementation of resolutions of the Board of Directors;
- (III) exercise any other powers conferred by applicable laws, administrative regulations, departmental rules, Hong Kong Listing Rules, the Articles of Association, or the Board.

If the chairman is unable or fails to perform his/her duties, a director jointly elected by at least one-half of the directors shall perform such duties.

The Board meetings shall be in the form of either regular meetings or extraordinary meetings. The Board shall convene regular board meetings at least four times each year, approximately quarterly. The meeting shall be convened by the chairman and all the directors shall be notified in writing 14 days prior to the meeting. Shareholders representing more than one tenth of the voting rights, or more than one third of the Board or audit committee, may propose to convene an extraordinary meeting of the Board. The chairman shall convene and preside over the meeting of the Board within 10 days after receiving the proposal.

The Board meetings shall be held only if one-half or more of the directors are present. When voting on the resolutions of the Board, each director shall have one vote. Any resolution to be passed by the Board shall be subject to affirmative votes of more than half of all the directors.

Resolutions of the Board shall be voted by way of casting written votes or a show of hands.

Directors shall attend Board meetings in person. If any director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another director to attend the meeting on his/her behalf. An independent non-executive director shall not appoint a non-independent non-executive director as his/her proxy to attend a meeting. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing director. Where voting matters are involved, the appointor shall clearly state in the proxy form whether they agree, disagree or abstain on each matter. Directors shall not make or accept powers of attorney that do not indicate voting intentions, general proxies, or proxies with unclear authorization scopes. Directors’ responsibilities for voting matters are not exempted by appointing other directors as proxies. Directors attending meetings on behalf of others shall exercise their rights as directors within the scope of their authorization. If a director is unable to attend a Board meeting in person and has not appointed a representative to attend the meeting, the same shall be deemed to be a waiver of the voting right at such meeting.

Special Committees under the Board

The Board of Directors shall establish an audit committee, a nomination committee, a remuneration committee and a strategy committee. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and authorization of the Board of Directors, and the proposals of the special committees shall

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be submitted to the Board of Directors for consideration and decision. The audit committee shall exercise the powers and functions of a Board of Supervisors as prescribed by the Company Law.

All members of the special committees under the Board shall be directors. Each committee shall consist of an odd number of members, which shall not be fewer than three. The chairmen of the specialized committees shall be appointed and removed by the Board of Directors. The audit committee shall comprise three or more members, all of whom shall be non-executive directors. A majority of the members shall not hold any position in the Company other than that of a director, and shall not have any relationship with the Company that might affect their independent and objective judgment. At least one member shall be an independent non-executive director with appropriate professional qualifications as stipulated in the Hong Kong Listing Rules, or with appropriate accounting or relevant financial management expertise, and such independent non-executive director shall serve as the chairman. For the nomination committee and the remuneration committee, independent non-executive directors shall constitute more than one half of the members. Each such committee shall have a convener, who shall serve as its chairman and must be an independent non-executive director. The strategy committee shall include at least one independent non-executive director, and shall have a convener, who shall serve as its chairman. The chairman shall be elected from among the committee members.

The Board of Directors is responsible for formulating the rules of procedure of the special committees and stipulating the composition, functions and procedures of the special committees, thereby regulating their operations.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL

The Company shall have one general manager and several deputy general managers. The general manager, deputy general managers, the secretary of the Board of Directors, and the chief financial officer (CFO) constitute senior management personnel of the Company. The CFO is specifically in charge of the Company’s financial affairs. The appointment and dismissal of the Company’s senior management personnel are determined by the Board of Directors.

The circumstances outlined in these Articles of Association that disqualify an individual from serving as a director shall equally apply to senior management personnel. The provisions of these Articles of Association regarding the directors’ duty of loyalty and duty of diligence shall apply equally to senior management personnel.

No person holding a position (other than as a director) in an entity of the Company’s controlling shareholder or de facto controller may serve as senior management personnel of the Company.

The term of office for the Company’s senior management personnel shall be three years for each tenure. They may be reappointed upon the expiration of their term.

The general manager shall be liable to the Board of Directors and exercise the following functions and powers:

- (i) To be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report on his or her work to the Board of Directors;

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- (ii) To organize the implementation of the Company’s annual business plan and investment scheme;
- (iii) To formulate proposals for the establishment of the Company’s internal management organs and branch offices;
- (iv) To formulate the fundamental management system of the Company;
- (v) To formulate and oversee the implementation of the Company’s specific rules and regulations;
- (vi) To propose to the Board of Directors the appointment or dismissal of the other senior management personnel of the Company;
- (vii) To decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) To decide on the appointment and dismissal of the employees of the Company;
- (ix) Other authority conferred by these Articles of Association or delegated by the board of directors.

The general manager may attend meetings of the Board of Directors.

The Company shall have a secretary of the Board of Directors, who shall be responsible for preparing general meetings of shareholders and board meetings, maintaining relevant documents, managing shareholder information of the Company, handling information disclosure matters, and other related affairs. The Secretary of the Board of Directors shall comply with all applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and the relevant provisions of these Articles of Association.

The senior management personnel shall be liable to compensate the Company for any losses caused to the Company as a result of his or her violation of any applicable law, administrative regulation, departmental rule, the Hong Kong Listing Rules, or these Articles of Association in the performance of his or her duties. The senior management personnel of the Company shall faithfully perform his or her duties and safeguard the best interests of the Company and all its shareholders. If the senior management personnel of the Company fails to faithfully perform his or her duties or breaches the duty of loyalty, thereby causing damage to the interests of the Company and its public shareholders, such personnel shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS, AND AUDITS

Financial and Accounting Systems

The Company shall establish its financial and accounting systems in accordance with applicable laws, administrative regulations, and the rules issued by the relevant state departments. If the Hong Kong Listing Rules or the securities regulatory authority of the place where the Company’s shares are listed provide otherwise, such provisions shall prevail.

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The Company shall prepare its financial accounting reports at the end of each fiscal year and have them audited by an accounting firm in accordance with the law. The financial accounting reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, and the Hong Kong Listing Rules.

The Company shall submit, disclose and/or present to its shareholders documents including annual reports, interim reports, and preliminary results announcements, in accordance with the laws, administrative regulations, the provisions of the CSRC, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the Company’s shares are listed.

The Company shall not maintain account books other than the statutory account books. The assets of the Company shall not be deposited into an account established in the name of any individual.

Profit distribution

In distributing the after-tax profit of the current year, the Company shall allocate 10% of the profit to its statutory reserve fund. However, if the cumulative amount of the statutory reserve fund exceeds 50% of the Company’s registered capital, no further appropriations are required. If the statutory reserve fund is insufficient to cover prior years’ losses, such losses shall be compensated out of the current year’s profits before making the allocation to the statutory reserve fund required by the preceding paragraph. Following the allocation of the statutory reserve fund from after-tax profits, the Company may appropriate a discretionary reserve fund from the after-tax profits upon a resolution of the general meeting of shareholders.

After the Company has compensated its losses and appropriated the reserve fund, the balance of its after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise provided in these Articles of Association. If the general meeting of shareholders violates the preceding paragraph for profit distribution to shareholders before the Company has covered its losses and appropriated the statutory reserve fund, the shareholders shall return the profits distributed in violation of the provisions to the Company. If such distribution causes losses to the Company, the shareholders concerned, as well as the responsible directors and senior management personnel, shall be liable for compensation. Shares of the Company held by the Company itself shall not participate in the distribution of profits.

The basic principles of the Company’s profit distribution policy are as follows: the profit distribution of the Company places emphasis on providing investors with reasonable investment returns. The profit distribution policy strives to maintain consistency and stability, and at the same time takes into account the Company’s long-term interests, the overall interests of all shareholders, and the Company’s sustainable development.

All dividends and other distributions shall be denominated and declared in Renminbi, and shall be paid in Renminbi to holders of shares other than H-shares. Dividends and other distributions to holders of H shares shall be denominated and declared in Renminbi and paid in Hong Kong Dollars, with payments to the latter being processed in accordance with the applicable national foreign exchange control regulations.

Internal Audit

The Company shall establish an internal audit system and appoint full-time auditors to oversee its financial revenues, expenditures, and economic activities through internal audits.

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The internal audit system and the responsibilities of the auditors shall be implemented upon approval by the Board of Directors. The chief auditor shall be accountable to and report directly to the Board of Directors.

Employment of an Accounting Firm

The Company shall appoint an accounting firm that is qualified under applicable laws, regulations, and the Hong Kong Listing Rules to audit its financial statements, verify its net assets, and provide other relevant consultancy services. The term of the appointment shall be one year and may be renewed.

The appointment, dismissal, or non-renewal of the accounting firm engaged to perform the Company’s audit services shall be determined by the general meeting of shareholders.

The Company guarantees to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other relevant accounting materials. The Company shall not refuse, conceal, or falsify any such information.

The remuneration of the accounting firm, or the method for determining such remuneration, shall be determined by the general meeting of shareholders.

In the event of the dismissal or non-renewal of the appointment of the accounting firm, the Company shall notify such accounting firm thirty days in advance. The accounting firm shall be entitled to state its opinions at the general meeting of shareholders convened to vote on such dismissal.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The Company’s merger may take place in the form of merger by absorption or new merger. The absorption by one company of one or more other companies shall be merger by absorption, in which case the absorbed company or companies shall be dissolved. The merger of two or more companies and establishment of a new company shall be merger by new establishment, in which case the parties to the merger shall be dissolved.

As far as mergers are concerned, parties to the merger shall sign a merger agreement, and prepare the balance sheet and a list of property. The Company shall notify its creditors within ten days, and make an announcement on the merger on the publicly circulated newspapers or the National Enterprise Credit Information Publicity System within thirty days, from the date of passage of the resolution on the merger. Creditors may, within thirty days upon receipt of the notification, or for creditors who have not received such notification, within forty-five days after the date of announcement, request the Company to make repayments or provide corresponding guarantees in respect of its indebtedness. When the Company reduces its registered capital, it shall reduce the number of shares in proportion to the shareholders’ shareholdings, unless otherwise stipulated in the laws or the Articles of Association. The registered capital of the Company after the capital reduction will not be lower than the statutory minimum requirement.

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In the case that merger or division of the Company results in any changes in registered particulars, modifications of registration shall be completed with the company registration authority according to law; in the case of dissolution, the deregistration shall be made according to law; in the case of the establishment of a new company, the registration of incorporation shall be made according to law.

In the case that the Company increases or reduces its registered capital, modifications of registration shall be completed with the company registration authority according to law.

Dissolution and Liquidation

The Company will be dissolved if:

- (i) other dissolution reasons as stipulated in the Articles of Association arise;
- (ii) a resolution on dissolution has been passed at a general meeting of shareholders;
- (iii) dissolution is required due to merger or division of the Company;
- (iv) the Company’s business license is revoked, or the Company is ordered to close or canceled according to law;
- (v) a shareholder who holds more than ten percent of the voting rights may petition the people’s court to dissolve the Company on the basis that there are serious difficulties in the operation and management of the Company whose subsistence will significantly jeopardize the shareholders’ interests and that such difficulties cannot be resolved by any other means.

If the Company encounters the cause of dissolution as stipulated in the preceding paragraph, it shall announce the reasons of dissolution through the National Enterprise Credit Information Publicity System within ten days.

The Company may survive by amending its Articles of Association in the case of the preceding item (i). Amendments to the Articles of Association made in accordance with the provisions of the preceding paragraph shall be approved by more than 2/3 of the voting rights held by the shareholders attending the general meeting of shareholders.

If the Company is dissolved under items (i), (ii), (iv) and (v) above, a liquidation committee shall be set up to start liquidation within 15 days from the date of occurrence of the cause for dissolution. The liquidation committee shall consist of Directors, unless otherwise provided in the Articles of Association or resolved otherwise by the general meeting of shareholders to elect another person. If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

The liquidation committee shall exercise the following functions and powers during liquidation:

- (i) To sort out the Company’s property and prepare the balance sheet and a list of property;
- (ii) To notify the creditors by a notice or an announcement;
- (iii) To deal with the outstanding business of the Company in connection with liquidation;

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- (iv) To pay all outstanding taxes and those arising in the course of the liquidation process;
- (v) To settle all claims and debts;
- (vi) To deal with the remaining assets after full payment of the Company’s debts;
- (vii) To participate in civil litigation on behalf of the Company.

The liquidation committee shall notify its creditors within ten days, and make an announcement on the publicly circulated newspapers or the National Enterprise Credit Information Publicity System within sixty days, from the date of its setup. Creditors shall, within thirty days since the date of receiving the notice, or for creditors who do not receive the notice, within forty-five days since the date of the announcement, report their creditors’ rights to the liquidation committee.

When reporting creditors’ rights, the creditors shall provide an explanation of matters relevant to the creditor’s rights and provide the supporting evidence. The liquidation committee shall register the creditors’ rights. In the course of reporting the creditors’ rights, the liquidation committee shall not discharge the debts to creditors.

After the liquidation committee has thoroughly examined the Company’s assets and prepared a balance sheet and list of property, it shall formulate a liquidation plan and submit such plan to the general meeting of shareholders or the people’s court for confirmation. The Company’s remaining assets after payment of liquidation expenses, staff’s wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed in proportion to their shareholding.

During the liquidation period, the Company still exists but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed among the shareholders before the completion of the payment as provided for in the preceding article.

If the liquidation committee, having thoroughly examined the Company’s property and prepared a balance sheet and schedule of assets, discovers that the Company’s property is insufficient to pay its debts in full, it shall immediately apply to the People’s Court for bankruptcy liquidation. After the people’s court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people’s court.

After the liquidation of the Company is completed, the liquidation committee shall prepare a liquidation report and submit the report to the general meeting of shareholders or the people’s court for confirmation, and shall submit the same to the company registration authority to apply for the deregistration of the Company, and announce the termination of the Company.

In the event that the Company is legally declared insolvent, insolvent liquidation shall be carried out pursuant to the relevant regulations on enterprise insolvency.

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AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) After the amendment of the Company Law, Hong Kong Listing Rules, or relevant laws and administrative regulations, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws, administrative regulations or listing rules of the stock exchange where the Company’s share are listed;
- (ii) There has been a change to the Company, resulting in inconsistency with the content in the Articles of Association;
- (iii) The general meeting of shareholders decides to amend the Articles Association.

Where any amendments to the Articles of Association passed by resolutions at the general meeting of shareholders are subject to review and approval by the competent authorities, they shall be submitted to the competent authorities for approval. Where the company registration matters are involved, the change registration shall be completed according to law. The Board shall amend the Articles of Association in accordance with the resolutions of the general meeting of shareholders in respect of amendment to the Articles of Association, and the approval of relevant competent authorities. Following the amendment to the Articles of Association, the Board shall promptly designate specific personnel to complete the filing procedures with the company registration authority.

Where the matters concerning the amendment to the Articles of Association fall within the scope of information disclosure required by laws and regulations, an announcement shall be made in accordance with relevant provisions.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

1. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

Incorporation

Our Company was established as a limited liability company under the laws of the PRC on May 7, 2010 and was converted into a joint stock limited company on March 30, 2021.

As of the date of this document, our registered office and head office are located at No. 30 Tianfu Street, Daxing Biomedicine Industry Base, Zhongguancun Science Park, Daxing District, Beijing, the PRC. Our Company’s corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix III — Summary of Articles of Association.”

Our Company has established a principal place of business in Hong Kong at Unit B3, 26/F, NCB Innovation CTR, 888 Lai Chi Kok Rd, Lai Chi Kok, Hong Kong. We were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on December 24, 2025. Mr. CHENG King Yip (鄭璟燁) has been appointed as the authorized representative of our Company for the acceptance of the service of process on behalf of the Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

Changes in the Share Capital of Our Company

Save as disclosed in the section headed “History, Development and Corporate Structure” in this document, there has been no alteration in our share capital within two years immediately preceding the date of this document.

Changes in the Share Capital of Our Subsidiaries

Our Company’s subsidiaries are set out in note 1 in the Accountants’ Report as set out in Appendix I to this document. The following alteration in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this document:

On November 12, 2024, Zhejiang Wehand-Bio was established in the PRC with registered capital of RMB10,000,000.

On April 16, 2025, Macau Wehand-Bio was established in Macao with a registered capital of MOP1,000,000.

On January 15, 2026, the registered capital of Zhejiang Wehand-Bio was increased from RMB10,000,000 to RMB18,000,000.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

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Shareholders’ Resolutions

At the general meeting of our Company held on January 26, 2026, among other things, the following resolutions were passed by the Shareholders:

- (a) the [REDACTED] by our Company of H Shares of the nominal value of RMB1.0 each and such H Shares be [REDACTED] on the Stock Exchange;
- (b) the number of H Shares to be [REDACTED] shall not be more than 20% of the total issued share capital of the Company as enlarged by the [REDACTED] (without taking into account of any H Shares which may be [REDACTED] upon the exercise of the [REDACTED]), and the grant to the [REDACTED] of the [REDACTED] of not more than 15% of the number of H Shares initially available under the [REDACTED];
- (c) subject to the approval by the CSRC, upon completion of the [REDACTED], [REDACTED] Unlisted Shares in aggregate held by our Shareholders will be converted into H Shares on a one-for-one basis;
- (d) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on the [REDACTED], and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and other relevant regulatory authorities;
- (e) authorization of the Board and its authorized persons to amend the resolutions in accordance with the requirements of competent regulatory authorities, and deal with the specific implementation; and
- (f) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of the H Shares.

Reorganization

We have not gone through any corporate reorganization for the purpose of the [REDACTED].

2. FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contract entered into in the ordinary course of business) [have been] entered into by members of our Group within the two years preceding the date of this document and is or may be material:

- (a) [•]
- (b) the [REDACTED].

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Intellectual Property Rights

(i) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Classification	Place of Registration	Registered Owner	Registration Number	Validity Period
1	Wehand-Bio	5	PRC	Our Company	11783711	May 07, 2014– May 06, 2034
2	We hand	5	PRC	Our Company	11783762	May 07, 2014– May 06, 2034
3	 Wehand	35	PRC	Our Company	13303370	October 21, 2015– October 20, 2035
4	 Wehand	10	PRC	Our Company	13314025	December 21, 2015– December 20, 2035
5	 Wehand	30	PRC	Our Company	13314097	November 21, 2015– November 20, 2035
6	 Wehand	32	PRC	Our Company	13314139	November 21, 2015– November 20, 2035
7	 Wehand	33	PRC	Our Company	13314251	December 21, 2015– December 20, 2035
8	五和博澳	35	PRC	Our Company	15712251	December 28, 2025– December 27, 2035
9	WHB	5	PRC	Our Company	21393985	November 21, 2017– November 20, 2027
10	桑博恩	5	PRC	Our Company	27294692	October 21, 2018– October 20, 2028
11	桑博恩	35	PRC	Our Company	27297996	October 21, 2018– October 20, 2028
12	WehandBio	5	PRC	Our Company	43932407	November 07, 2020– November 06, 2030
13	五和博澳	33	PRC	Our Company	43932652	November 14, 2020– November 13, 2030
14	 Wehand	32	PRC	Our Company	43936842	November 14, 2020– November 13, 2030
15	五和博澳	30	PRC	Our Company	43937647	November 07, 2020– November 06, 2030
16	 Wehand	10	PRC	Our Company	43942545	November 07, 2020– November 06, 2030

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

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No.	Trademark	Classification	Place of Registration	Registered Owner	Registration Number	Validity Period
17		44	PRC	Our Company	43945313	February 07, 2021– February 06, 2031
18		30	PRC	Our Company	43945481	February 14, 2021– February 13, 2031
19	五和博澳	10	PRC	Our Company	43947117	November 07, 2020– November 06, 2030
20	五和	35	PRC	Our Company	49805589	December 21, 2022– December 20, 2032
21		30	PRC	Our Company	51435219	August 07, 2021– August 06, 2031
22		33	PRC	Our Company	51445042	August 21, 2021– August 20, 2031
23		32	PRC	Our Company	51447866	August 21, 2021– August 20, 2031
24		3	PRC	Our Company	51470170	August 21, 2021– August 20, 2031
25	五和	35	PRC	Our Company	56208478	March 07, 2024– March 06, 2034
26	WUHEBOAO	5	PRC	Our Company	67102998	May 07, 2023– May 06, 2033
27	WHB	5	PRC	Our Company	67104954	May 07, 2023– May 06, 2033
28	五和同源	5	PRC	Our Company	72679804	March 21, 2024– March 20, 2034
29		5	PRC	Our Company	78385056	October 21, 2024– October 20, 2034
30		3	Hong Kong	Our Company	306897278	May 13, 2025– May 12, 2035
		5	Hong Kong	Our Company		May 13, 2025– May 12, 2035
		30	Hong Kong	Our Company		May 13, 2025– May 12, 2035
		31	Hong Kong	Our Company		May 13, 2025– May 12, 2035

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No.	Trademark	Classification	Place of Registration	Registered Owner	Registration Number	Validity Period
31	 五和博牌 WeHand	32	Hong Kong	Our Company	306901993	May 16, 2025– May 15, 2035
	 五和博牌 WeHand	35	Hong Kong	Our Company		May 16, 2025– May 15, 2035
	 五和博牌 WeHand	42	Hong Kong	Our Company		May 16, 2025– May 15, 2035
	 五和博牌 WeHand	44	Hong Kong	Our Company		May 16, 2025– May 15, 2035

(ii) Patents

For material patents and patent applications of our Group as of the Latest Practicable Date, see paragraph headed “Business — Intellectual Property” for more details.

(iii) Domain Names

As of the Latest Practicable Date, we owned the following domain names, which we consider to be or may be material to our business:

Domain Name	Registrant	Expiry Date
wehandbio.cn	our Company	June 1, 2026
wehandbio.com.cn	our Company	June 1, 2026
wehandbio.com	our Company	August 30, 2028

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents, copyrights or other intellectual property rights that were material in relation to our business.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Disclosure of interests of our Directors and Chief Executive

Save as disclosed below, immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the interests and/or short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and any interests and/or short positions in shares, underlying shares or debentures of any of our Company’s associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company, once the H Shares are [REDACTED] on the Stock Exchange:

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Interests in our Company

Name of Director, chief executive	Position	Nature of interest	Number and description of Shares	Approximate percentage of shareholding in the Unlisted Shares/H Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital ⁽¹⁾
Mr. HUANG Yuesheng ⁽²⁾	Executive Director and chairperson of the Board	Beneficial owner	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
		Interest in controlled corporations	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
		Interest held jointly with other persons	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
Prof. LIU Yuling ⁽³⁾	Non-executive Director	Interest in controlled corporation	[REDACTED] Unlisted Shares [REDACTED] H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
Dr. WANG Xiaobin ⁽⁴⁾	Non-executive Director	Interest in controlled corporation	[REDACTED] H Shares	[REDACTED]%	[REDACTED]%

Notes:

- (1) All interests stated are long positions. The calculation is based on the total number of [REDACTED] Unlisted Shares and [REDACTED] H Shares [REDACTED] immediately after completion of the [REDACTED] since [REDACTED] Unlisted Shares will be converted into H Shares and [REDACTED] H Shares will be [REDACTED] pursuant to the [REDACTED], assuming that the [REDACTED] is not exercised.
- (2) As of the Latest Practicable Date, Mr. HUANG Yuesheng (i) directly held 20,649,408 Shares of our Company, and (ii) was the general partner of Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruihe and Jiujiang Ruida. Therefore, he is deemed to be interested in the 29,657,960 Shares held by Wehand Tongyuan No.1, Wehand Tongyuan No.2, Wehand Tongyuan No.3, Jiujiang Ruihe and Jiujiang Ruida by virtue of the SFO. Mr. HUANG Yuesheng, Mr. HU Dingfei and Mr. YU Xiecai entered into an acting-in-concert agreement in December 2018. By virtue of the SFO, Mr. HUANG Yuesheng is deemed to be interested in the Shares held by Mr. HU Dingfei and Mr. YU Xiecai.
- (3) Jiujiang Ruijin is our Share Incentive Platform. As of the Latest Practicable Date, Jiujiang Ruijin is deemed to be controlled by Prof. LIU Yuling as its general partner, and none of the limited partner of Jiujiang Ruijin held more than one-third of the partnership interest thereof. Therefore, Prof. LIU Yuling was deemed to be interested in the 5,529,450 Shares of our Company held by Jiujiang Ruijin by virtue of the SFO.
- (4) As of the Latest Practicable Date, Ningbo Gaoling was controlled by Gaoneng Tianhui Venture Capital Co., Ltd.* (高能天匯創業投資有限公司) as its general partner, in which Dr. WANG Xiaobin held 49% of its equity interest. By virtue of the SFO, Ms. Wang is deemed to be interested in the 5,702,641 Shares of our Company held by Ningbo Gaoling.

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Interest in our associated corporations

So far as our Directors are aware, immediately following the completion of the [REDACTED], no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

Disclosure of Interests of Substantial Shareholders

Save as disclosed in the section headed “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares and without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED], our Directors are not aware of any other person (other than our Directors or chief executive) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other members of our Group.

Particulars of Service Agreements and Appointment Letters

Each of our Directors [has entered] into a service agreement or an appointment letter with our Company. The principal particulars of these service agreements and appointment letters are: (a) each of the agreements and appointment letters is for a term of three years following their respective appointment date; and (b) each of the agreements and appointment letters is subject to termination in accordance with their respective terms. The service agreements and appointment letters may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service agreements or appointment letters with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Directors’ Remuneration

For details of the Directors’ remuneration, see the section headed “Directors and Senior Management” in this document and note 8 to the Accountants’ Report as set out in Appendix I to this document.

Disclaimers

- (a) None of the Directors nor any of the experts referred to in “Qualifications of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) Save in connection with the [REDACTED], none of the Directors nor any of the experts referred to “Qualifications of Experts” below is (i) materially interested in any contract or arrangement subsisting at the date of this document which is interested

APPENDIX IV

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legally or beneficially in any shares in any member of the Group; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

- (c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of our Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [REDACTED] or related transactions as mentioned.
- (d) So far as is known to our Directors, none of our Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or our subsidiaries.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our financial condition or results of operations.

Sole Sponsor

The Sole Sponsor has made an application on our behalf to the [REDACTED] for [REDACTED] of, and permission to [REDACTED] in, the H Shares of our Company. All necessary arrangements have been made enabling the H Shares to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay a fee of US\$1,000,000 to act as the sponsor of our Company in connection with the [REDACTED].

Compliance Advisor

We have appointed Rainbow Capital (HK) Limited as our Compliance Advisor upon the [REDACTED] in compliance with Rule 3A.19 of the Listing Rules.

Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

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Taxation of holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

Qualifications and Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

<u>Name of Expert</u>	<u>Qualifications</u>
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) of the regulated activities as defined under the SFO
Grandway Law Offices	Qualified legal advisors as to PRC laws
Grandway Law Offices (Nanjing)	Qualified legal advisors as to PRC intellectual property laws
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
China Insights Industry Consultancy Limited	An independent professional market research and consulting company

As of the Latest Practicable Date, save as disclosed in this document and in connection with the [REDACTED], none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Promoters

The promoters of the Company are all of the 23 then Shareholders immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [REDACTED] and the related transactions described in this document.

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Bilingual document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Binding Effect

This document shall have the effect, where an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

No Material Adverse Change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since September 30, 2025, being the end of the period reported on in the Accountants’ Report set out in Appendix I to this document.

Miscellaneous

- (a) Save as disclosed in the section headed “History, Development and Corporate Structure” and this Appendix and in connection with the [REDACTED], within the two years immediately preceding the date of this document:
 - (i) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any Share or loan capital of our Company or any of our subsidiaries;
 - (ii) no Share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions of any share in our Company or any of our subsidiaries.
- (b) We have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (c) There are no arrangements under which future dividends are waived or agreed to be waived;
- (d) There are no procedures for the exercise of any right of pre-emption or transferability of subscription rights; There have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this document;
- (e) There are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong; no part of the equity or debt securities of our Company or any member of our Group, if any, is currently [REDACTED] on or [REDACTED] in on any stock exchange or [REDACTED]

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system, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought; and

- (f) Our Company has no outstanding convertible debt securities or debentures.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Statutory and General Information — 2. Further Information About Our Business — Summary of Material Contracts” in Appendix IV to this document; and
- (b) the written consents referred to in “Statutory and General Information — 4. Other Information — Qualifications and Consents of Experts” in Appendix IV to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.wehandbio.com for a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the Track Record Period;
- (c) the Accountants’ Report for the Track Record Period issued by Ernst & Young, the text of which is set out in Appendix I to this document;
- (d) the report on the unaudited [REDACTED] financial information of our Group issued by Ernst & Young, the text of which is set out in Appendix II to this document;
- (e) the legal opinions issued by Grandway Law Offices, our PRC Legal Advisor, in respect of certain matters of PRC law;
- (f) the legal opinions issued by Grandway Law Offices (Nanjing), our legal advisors as to PRC intellectual property laws, in respect of the intellectual property of our Group;
- (g) the industry report issued by China Insights Industry Consultancy Limited;
- (h) a copy of each of the PRC Company Law, the PRC Securities Law, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations;
- (i) the material contracts referred to in “Statutory and General Information — 2. Further Information About Our Business — Summary of Material Contracts” in Appendix IV to this document;
- (j) the service contracts and letters of appointment referred to in “Statutory and General Information — 3. Further Information About Our Directors and Substantial Shareholders — Particulars of Service Agreements and Appointment Letters” in Appendix IV to this document; and

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX V**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (k) the written consents referred to in “Statutory and General Information — 4. Other Information — Qualifications and Consents of Experts” in Appendix IV to this document.