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Application Proof of

Hangzhou Sciwind Biosciences Co., Ltd.*
杭州先為達生物科技股份有限公司

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

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Hangzhou Sciwind Biosciences Co., Ltd.
杭州先為達生物科技股份有限公司

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

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED] and the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation, the [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB[REDACTED] per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Joint Sponsors,* [REDACTED], [REDACTED], [REDACTED] *and* [REDACTED]**

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[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

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SUMMARY

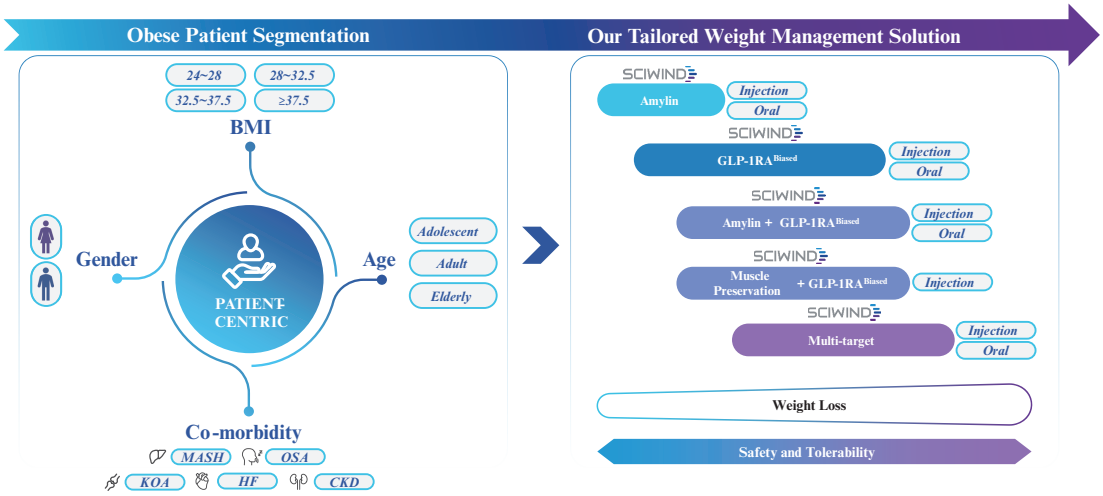
This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document carefully before you decide to **[REDACTED]** *in the* **[REDACTED]**. *In particular, we are a biotechnology company seeking a* **[REDACTED]** *on the* **[REDACTED]** *of the* **[REDACTED]** *under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. Our Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. We may continue to incur substantial costs and expenses in relation to R&D activities for the Core Product, and the Core Product may not be successfully developed or marketed. Moreover, there are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors."*

OVERVIEW

Established in 2017, we have been dedicated to the R&D of advanced weight management therapeutics primarily for obesity and related diseases. As of the Latest Practicable Date, we had (i) one Core Product, biased GLP-1 injectable ecnoglutide (XW003), indicated for overweight/obesity, T2DM, moderate-to-severe obesity, adolescent obesity, MASH, OSA and other obesity related comorbidities; and (ii) seven other pipeline products.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR PIPELINE PRODUCTS, INCLUDING CORE PRODUCT INJECTABLE ECNOGLUTIDE (XW003).

We are dedicated to offering patient-centric weight management solutions specifically tailored to address the diverse range of medical needs across different patient populations. Our comprehensive approach begins with strategic patient segmentation based on key factors including BMI ranges, gender, age groups (adolescent, adult, and the elderly), and various obesity-related comorbidities such as MASH and OSA, osteoarthritis, heart failure, and chronic kidney disease. Through this detailed understanding of patient diversity, we have developed a diversified treatment portfolio featuring various therapeutic options including amylin peptide analogs, cAMP-biased GLP-1 receptor agonist, innovative combination therapies, and multi-target approaches. These solutions are believed to achieve effective weight loss outcomes and high patient convenience with well-tolerated safety profile.



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

The following chart summarizes key information of our drug candidates as of the date of this Document:

Program	MoA/Target	Modality	Administration[1]	Indication(s)[2]	Preclinical	Phase I[3]	Phase II[3]	Phase III[3]	BLA[3]	Current Status/Upcoming Milestone	Commercial Rights	Partners
Metabolic												
★XW003[4] (ecnoglutide)	GLP-1 Receptor Agonist	Peptide	QW Injection	Overweight/Obesity	China					BLA submitted to NMPA in December 2024, BLA approval received in March 2026	Worldwide excluding Korea	inno.N
				T2DM	China					BLA submitted to NMPA in November 2024, BLA approval received in January 2026		
				OSA	China					IND approved by NMPA in January 2026, Phase III initiated in February 2026	Global	/
				Moderate-to-severe Obesity	China					Phase II commenced in July 2025, Phase II readout expected by 2027H1	Worldwide excluding Korea	inno.N
				Adolescent Obesity	China					Phase Ib commenced in August 2025, Phase III initiation expected in 2026H2		
				MASH	China[5]					IND approved by NMPA in February 2021, Phase IIb initiation expected by early 2027[5]		
				Obesity Related Comorbidities	China[5]					IND submission expected in 2026H2[5]	Global	/
☆ XW004 (ecnoglutide)	GLP-1 Receptor Agonist	Peptide	QW Oral	Overweight/Obesity	China, Australia[6]					Phase Ib/IIa commenced in November 2025, Phase Ib/IIa readout expected in 2027H1	Greater China & Korea	Verdiva
☆ XW014	GLP-1 Receptor Agonist	Small Molecule	QD Oral	Overweight/Obesity	China, U.S.					Phase I completed in December 2025, Phase II initiation expected in 2026H1	Global	/
XW015	Amylin Receptor Agonist	Peptide	QW Injection	Overweight/Obesity						IND submission expected in 2026H2	Greater China & Korea	Verdiva
XW016	Amylin Receptor Agonist	Peptide	Oral	Overweight/Obesity						IND submission expected in 2026H2		
XW019	Undisclosed (Multi-target)	Undisclosed	QM Injection	Overweight/Obesity						IND submission expected in 2027H1	Global	/
XW020	Undisclosed	Peptide	Injection	Overweight/Obesity (Muscle Preservation)						IND submission expected in 2026H2	Global	/
Respiratory												
XW001	IL-29 Analog	Protein	Inhalation	RSV/Flu	China					Phase IIb initiated in Mar 2025, Phase IIb readout expected in late 2026	RoW[7]	Sino Biopharm

★ Core Product ☆ Key Product

Notes:

1. QD refers to once per day, QW refers to once per week, QM refers to once per month
2. T2DM refers to Type 2 Diabetes Mellitus, MASH refers to Metabolic Dysfunction-Associated Steatohepatitis, OSA refers to Obstructive Sleep Apnea Syndrome
3. The region marked in the arrow is the area where the clinical trials/BLAs are conducted/applied for
4. In 2025, the Company entered into a commercialization agreement with Pfizer to commercialize XW003 for T2DM, overweight/obesity and other indications in China
5. The Company is evaluating feasibility of commencing Phase IIb/III clinical trials directly
6. The Company has completed Phase I clinical trials in Australia and submitted the IND application to initiate Phase Ib/IIa clinical trials of XW004 for the treatment of overweight/obesity in China
7. Excluding Greater China (Chinese Mainland, Hong Kong, Macau and Taiwan), Russia, Brazil, Indonesia, Saudi Arabia, Thailand, Singapore, Malaysia, Philippines, Vietnam, Myanmar, Laos, Cambodia, Brunei, Timor-Leste, United Arab Emirates, Qatar, Bahrain, Serbia

- **Core Product Injectable Ecnoglutide (XW003), the World's First Approved cAMP-biased GLP-1 Receptor Agonist**

  Injectable ecnoglutide (XW003) is the world's first approved cAMP-biased GLP-1 receptor agonist for T2DM and overweight/obesity treatments in Chinese Mainland, according to Frost & Sullivan. It selectively activates the cAMP pathway while reducing β-arrestin recruitment, thereby preventing receptor internalization and desensitization to achieve enhanced and sustainable therapeutic efficacy.

  According to the Phase III clinical data published on *Lancet Diabetes & Endocrinology*, injectable ecnoglutide (XW003) has demonstrated better efficacy surpassing unbiased GLP-1 receptor agonist such as semaglutide and rivaling dual-agonist therapies such as tirzepatide, positioning us at the forefront of next-generation treatments of overweight/obesity and T2DM.

  With the approvals for T2DM treatment received in January 2026 and for overweight/obesity treatment received in March 2026 in Chinese Mainland, injectable ecnoglutide (XW003) represents a significant milestone in our continuous R&D efforts. Such achievements of weight management therapeutics will contribute to the advancement of the treatment landscape.

- **Key Product XW004, an Oral Peptide GLP-1 Receptor Agonist with Enhanced Bioavailability**

  Our Key Product XW004 is potentially the world's first and only weekly long-acting oral cAMP-biased GLP-1 peptide, according to Frost & Sullivan, with potential to present injectable-like efficacy due to enhanced bioavailability. It is an oral formulation of ecnoglutide enabled by our proprietary absorption enhancer. This technology delivers 3-5 times higher oral bioavailability compared to existing oral GLP-1 peptide therapies such as Rybelsus®. This Phase II-ready candidate demonstrated injectable-like efficacy in Phase I trials, where patients achieved up to 6.8% weight reduction at 6 weeks — significantly outperforming competitor oral products Rybelsus® (2.3%) and orforglipron (4.3%) based on published clinical data. XW004 offers the convenience of oral administration while leveraging the therapeutic benefits of our biased GLP-1 technology, positioning it as potentially the first and only clinical-stage oral weekly treatment that enhances patient compliance and provides sequential treatment options for obesity and related diseases.

- **Key Product XW014, an Oral Small Molecule cAMP-biased GLP-1 Receptor Agonist with Potential for Combination Therapies with Other Oral Drugs**

  Our Key Product XW014 represents our Phase I, oral small molecule cAMP-biased GLP-1 receptor agonist with potential for combination therapies. XW014 offers significant manufacturing and formulation advantages compared to peptide-based therapies. As a small molecule, XW014 provides superior production scalability and cost-effectiveness while offering potential for combination therapies with other oral drugs to deliver synergistic therapeutic benefits. The compound achieves stable pharmacokinetics with once-daily dosing and exceptional safety profile that minimizes adverse events. In Phase I trials, XW014 demonstrated robust efficacy with up to 5.6% weight loss over 43 days, presenting significant improvement in lipid profile and very low incidence of gastrointestinal disorders with all the TEAEs being mild to moderate.

- **Amylin Peptide Analogs, XW015 and XW016**

  XW015 and XW016 represents our IND-enabling amylin peptide analogs. Amylin drugs have the potential for a milder profile of gastrointestinal side effects compared to GLP-1 receptor agonist, particularly nausea and diarrhea. XW015 is a long-acting injectable amylin receptor agonist, which could be co-formulated with GLP-1 injectable therapies to eliminate the need for dual injections or complex devices. XW016 is potentially the world's first oral amylin peptide analog in development, leveraging our proprietary oral delivery technology and optimized fatty acid modifications to achieve high oral bioavailability without compromising therapeutic activity.

- **Other Advanced Preclinical Drug Candidates, XW019 and XW020**

  XW019 is an early-stage project focused on the development of a monthly injectable biologic designed to induce body weight reduction and address metabolic disorders. Engineered for extended duration of action, the therapy is optimized for convenient dosing and improved patient adherence. We are planning to submit the IND application in the first half of 2027.

  XW020 is a long-acting injectable peptide promoting weight reduction and helping preserve muscle mass. By maintaining muscle integrity while reducing fat, this candidate has the potential to deliver more balanced and sustainable outcomes for patients. We are planning to file IND by the end of 2026.

Our Proprietary SciwindCore™ Platform

Our competitive advantage is built on our SciwindCore™ platform, which comprises three proprietary technology platforms that serve as tool boxes to address the key limitations of current weight management therapeutics: insufficient response rates and limited efficacy, low patient compliance, and manufacturing scalability constraints. As patients continue to seek tailored solutions — from enhanced efficacy to alternative delivery routes and extended dosing intervals, we believe the current weight management therapeutics will continue to evolve toward greater segmentation. Through our biased agonist discovery (BiasVantage™), oral peptide delivery (OralVantage™) and half-life extension (HaleVantage™) platforms, we create differentiated weight management therapeutics with enhanced efficacy, improved patient convenience, and outperformed safety profiles. It enables us to treat all subtypes of overweight/obesity patients, for both adult and adolescent, and for diversified demands in weight management, further advancing our advantages in different segmented markets.

See "Business — Our Research and Development Capabilities — Multi-Platform Innovation Engine."

OUR STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) frontrunner in weight management; (ii) Core Product injectable ecnoglutide (XW003): the world's first approved cAMP-biased GLP-1 receptor agonist with superior efficacy; (iii) rich and diversified pipeline providing comprehensive patient-centric solutions; (iv) multi-platform innovation engine driving sustainable development; and (v) top-tier management team with a proven track record of success led by world-class experts and industry veterans. See "Business — Our Strengths."

OUR STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) continuously deliver patient-centric weight management solutions powered by SciwindCore™ platform; (ii) implement a phased manufacturing strategy to meet post-commercialization demand; and (iii) seek strategic partnerships to expand our footprint and maximize the value of our pipeline. See "Business — Our Strategies."

COMPETITION

The global weight management drug market has grown steadily from USD99.7 billion in 2020 to USD112.8 billion in 2024. Looking ahead, the market is expected to accelerate, reaching USD116.5 billion in 2025 and USD277.4 billion by 2034. The global overweight/obesity drug market has strong growth potential. It is projected to expand to USD41.7 billion by 2029 at a CAGR of 19.8% and USD57.7 billion by 2034 at a CAGR of 6.7%.

Addressable Markets and Competitive Landscape of Core Product

GLP-1 receptor agonists have emerged as the predominant therapeutic class in treating obesity and related disease, fundamentally transforming treatment paradigms across obesity, T2DM, and associated comorbidities. These innovative therapies have demonstrated excellent efficacy compared to traditional weight management approaches, with clinical evidence supporting significant and sustained weight reduction, improved glycemic control, and cardiovascular protection. There is increasing interest in producing GLP-1 receptor agonists with better efficacy, improved patient compliance, and cardiometabolic benefits.

Obesity is a major risk factor for chronic diseases and can also lead to social and psychological problems, which in turn increases the cost of health care services for the population and burdens the health care system. Globally, the number of individuals with overweight/obesity increased from 3,067.4 million in 2020 to 3,575.0 million in 2024 at a CAGR of 3.9%. In China, the number of overweight or obese individuals grew from 570.7 million in 2020 to 639.4 million in 2024 at a CAGR of 2.9%. In 2024, approximately 2% of patients with obesity received drug treatments, among which, GLP-1 receptor agonists accounted for more than 20% of the total market sales for obesity medications in 2024. By 2030, over 80% of patients receiving pharmacological treatment for obesity are projected to choose GLP-1 therapies. As of Latest Practicable Date, three GLP-1 drugs have already been approved globally (excluding China) for overweight/obesity, namely liraglutide, semaglutide and tirzepatide, setting the benchmark for this therapeutic class. As of Latest Practicable Date, a total of five innovative GLP-1 drugs have been approved in China for the treatment of overweight/obesity, namely beinaglutide, semaglutide, tirzepatide, mazdutide, and injectable ecnoglutide (XW003). For more details, see "Industry Overview — Weight Management Market — The Overweight/Obesity Drug Market."

T2DM is a metabolic disorder characterized by chronic hyperglycaemia caused by defects in insulin secretion, insulin action, or both. Persistent hyperglycaemia can lead to long-term damage, dysfunction, and failure of multiple organs, especially the eyes, kidneys, nerves, heart, and blood vessels. From 2020 to 2024, the global diabetic population increased from 493.7 million to 589.0 million at a CAGR of 4.5%. From 2020 to 2024, the diabetic population in China rose from 133.1 million to 148.0 million at a CAGR of 2.7%. In 2024, about 90% of diagnosed diabetes patients in China received diabetes medication, among which, GLP-1 receptor agonists accounted for approximately 14% of total diabetes medication. In 2024, more than 5% of patients in China receiving pharmacological treatment for T2DM chose GLP-1 receptor agonists. By 2030, over 10% of patients receiving pharmacological treatment for diabetes are expected to choose GLP-1 therapies. As of the

date of this Document, a total of 11 innovative GLP-1 receptor agonists, including injectable ecnoglutide (XW003) have been approved globally for the treatment of diabetes, with 8 approved in the United States and 10 in Chinese Mainland. For more details, see "Industry Overview — Diabetes Drug Market."

COMMERCIALIZATION

We received the approvals from the NMPA for injectable ecnoglutide (XW003) for T2DM and overweight/obesity indications in January 2026 and March 2026, respectively. In December 2025, we entered into a commercialization agreement with Pfizer, according to which, we grant Pfizer an exclusive right to commercialize injectable ecnoglutide (XW003) in Chinese Mainland. We will remain the marketing authorization holder and will be responsible for research and development, registration, manufacturing, and supply of the product. For more details, see "Business — Commercialization."

COLLABORATION AND LICENSING ARRANGEMENTS

During the Track Record Period, we entered into the following license and collaboration agreements for further R&D and commercialization of specific indications of certain of our drug candidates. For more details, see "Business Our — Collaboration and Licensing Arrangements."

On April 30, 2024, we entered into a license agreement with inno.N regarding the future development and commercialization of the obesity, T2DM and MASH indications of our Core Product injectable ecnoglutide (XW003) in Korea.

On October 18, 2024, we entered into a license and collaboration agreement with Verdiva regarding the future development and commercialization of a portfolio of certain GLP-1 and amylin receptor agonists, including oral ecnoglutide (XW004), subcutaneous injectable amylin receptor agonist (XW015), and oral amylin receptor agonist (XW016), outside Greater China and Korea.

On June 30, 2024, we entered into a license and collaboration agreement with a subsidiary of Sino Biopharm, a leading Chinese pharmaceutical company listed in Hong Kong, to advance future R&D and commercialization of XW001 in 19 countries.

RESEARCH AND DEVELOPMENT

In 2024 and 2025, our research and development expenses amounted to RMB284.0 million and RMB158.8 million, representing 86.3% and 73.5% of our total operating expenses, respectively. Our research and development expenses attributable to our Core Product amounted to RMB139.5 million and RMB90.7 million in the same year, representing 42.4% and 42.0% of our total operating expenses, respectively. The continuous decrease of our research and development expenses incurred on our Core Product was in line with our advancement of the Core Product, primarily attributable to (i) the successful completion of our Core Product's Phase III clinical trials in July 2024 ; and (ii) the decrease in material expenses for our clinical trials.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we have built a comprehensive intellectual property portfolio in China and overseas. In China, we maintained a patent portfolio of 29 registered patents and 15 pending patent applications in China, as well as 33 registered patents and 75 pending patent applications overseas. We also held five PCTs. We believe there is no material legal impediment for us to obtain the approvals for these pending patent applications.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period and up to the Latest Practicable Date, we had not generated any revenue from and therefore had no customers relating to the sales of product candidates. We derived substantially all of our revenues from license-out arrangements which was in relation to certain of our drug candidates' intellectual property rights. For further details, see "Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss — Revenue."

We mainly procure services related to R&D and manufacture from third party suppliers. We maintain stable relationships with our suppliers to ensure the stability of material supply. In 2024 and 2025, purchase amount from our top five suppliers in each year of the Track Record Period represents 43.0% and 29.1% of our total purchase amount, respectively. Purchase amount to our largest supplier in each year of the Track Record Period represents 11.5% and 11.6% of our total purchase amount, respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our historical financial information, including the accompanying notes, set forth in the Accountants' Report in Appendix I to this Document, as well as the information set forth in the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth selected items of our consolidated statements of profit or loss and other comprehensive income, with line items in absolute amounts, for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Revenue	–	133,488
Cost of sales	–	(17,814)
Gross profit	–	115,674
Other income and gains	34,353	33,370
Selling and distribution expenses	(11,998)	(10,521)
Administrative expenses	(33,065)	(46,816)
Research and development costs	(283,962)	(158,837)
Other expenses	(133)	(18,945)
Finance costs	(191,195)	(234,051)
Loss before tax	**(486,000)**	**(320,126)**
Income tax expense	–	–
Loss for the year and attributable to ordinary equity holders of the parent	**(486,000)**	**(320,126)**

We have consistently incurred net losses during the Track Record Period, primarily due to (i) our substantial research and development expenses in related to our drug candidates; and (ii) our interest on redemption liabilities. Our net loss showed a declining trend during the Track Record Period, which was in line with our advancement of Core Product from Phase III clinical stage to BLA submissions. It decreased from RMB486.0 million in 2024 to RMB320.1 million in 2025, primarily attributable to the decrease in our research and development expenses. For further details on the factors leading to our net loss, see "Financial Information."

Summary of Consolidated Statements of Financial Position

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Total non-current assets	203,797	183,692
Total current assets	1,253,628	1,093,191
Total assets	**1,457,425**	**1,276,883**
Total non-current liabilities	3,214,588	3,420,028
Total current liabilities	136,523	70,026
Total liabilities	**3,351,111**	**3,490,054**
Net liabilities	**(1,893,686)**	**(2,213,171)**
Net current assets	1,117,105	1,023,165

Our net liabilities increased from RMB1,893.7 million as of December 31, 2024 to RMB2,213.2 million as of December 31, 2025, primarily attributable to loss for the year of RMB320.1 million. Our redemption liabilities will be re-designated from liabilities to equity as a result of automatic conversion into ordinary shares upon the [**REDACTED**] such that the net liabilities position would turn into net assets. See Note 26 to the Accountants' Report set out in Appendix I to this Document for more details.

Our net current asset decreased from RMB1,117.1 million as of December 31, 2024 to RMB1,023.2 million as of December 31, 2025, primarily due to (i) an RMB462.1 million decrease in financial assets at FVTPL; and (ii) an RMB16.3 million increase in other payables and accruals. These factors were partially offset by (i) an RMB75.6 million increase in time deposits; and (ii) an RMB199.3 million increase in cash and cash equivalents.

Summary of Consolidated Statement of Cash Flows

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

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Net cash flows generated from/(used in) operating activities	99,319	(185,605)
Net cash flows (used in)/generated from investing activities	(470,952)	399,906
Net cash flows generated from/(used in) financing activities	453,643	(8,248)
Net increase in cash and cash equivalents	82,010	206,053
Cash and cash equivalents at the beginning of the year	555,788	639,772
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,974	(6,754)
Cash and cash equivalents at the end of the year	**639,772**	**839,071**

During the Track Record Period, we incurred negative cash flows from our operations except for the year ended December 31, 2024. Our primary use of cash was to fund our pre-clinical studies and clinical development activities. In 2025, our net cash used in operating activities was RMB185.6 million, which was mainly attributable to cash used in paying research and development expense we incurred.

As our business develops, we plan to improve our net operating cash flow position by generating cash inflows from the commercialization of our Core Product, and improving our cost control and operating efficiencies. See "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis — Net Cash Flows (Used in)/generated from Operating Activities."

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] in the [**REDACTED**], based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]. Assuming an average cash burn rate going forward of [**REDACTED**] times the level in 2025, we estimate that our financial resources as of January 31, 2026, together with the upfront payment we expect to receive, will be able to maintain our financial viability for [**REDACTED**] from January 31, 2026 taking into account the estimated net [**REDACTED**] from the [**REDACTED**], and for [**REDACTED**] without taking into account the estimated net [**REDACTED**] from the [**REDACTED**]. We will continue to monitor our cash flows generated from operations closely and expect to raise additional financing, if needed, with a minimum buffer of 12 months.

Key Financial Ratios

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

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Current ratio*	9.2	15.6

Note:

* Current ratio is calculated based on total current assets divided by total current liabilities as of the dates indicated.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different [**REDACTED**] may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to [**REDACTED**] in our Company. Some of the major risks that we face include: (i) we may face intense competition in R&D and the possibility that our competitors may develop drug candidates that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and results of operations; (ii) if the market size of our drug candidates is smaller than we expected, it may raise uncertainties to our R&D investments and drug candidates' future prospects; (iii) our business, financial condition, results of operations, and prospects may be materially and adversely affected if there are any failure, delays or cost overruns regarding the clinical development or approval of our drug candidates or the successful commercialization of our Core Product XW003; (iv) we have incurred net losses since inception. We may continue to incur net losses and may fail to achieve or maintain profitability in the next few years; (v) we had net operating cash outflows and net liabilities during the Track Record Period, which may affect our ability to complete the development and commercialization of our drug candidates; and (vi) we could be unsuccessful in obtaining or maintaining adequate patent protection for one or more of our drug candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, Dr. Pan was entitled to exercise approximately 28.28% voting rights in our Company in aggregate, directly and indirectly through (a) Beijing Junyida and (b) Beijing Yangyuan, the general partner of the Employee Incentive Platforms (i.e., Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida). Dr. Pan, Beijing Junyida, Beijing Yangyuan and the Employee Incentive Platforms form the members of our Single Largest Shareholders Group upon the [**REDACTED**].

Immediately following the completion the [**REDACTED**], the Single Largest Shareholders Group will be, in aggregate entitled to control the exercise of approximately [**REDACTED**]% of the voting rights (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised). There will be no controlling shareholder of our Company under the Listing Rules upon [**REDACTED**]. See sections headed "Relationship with Our Single Largest Shareholders Group" and "History, Development and Corporate Structure" for details.

OUR PRE-[REDACTED] INVESTORS

Throughout the development of our Group, we received several rounds of Pre-[**REDACTED**] Investments in a total amount of approximately RMB2.2 billion. The valuation of our Company upon completion of the last round of the Pre-[**REDACTED**] Investments is approximately RMB4,867.5 million. Our Pre-[**REDACTED**] Investors include investors focusing on investment in biotech and healthcare industry, including among others, Linzhi Yongzheng, Guangxi Tencent, Suzhou Paiyi, IDG Entities, Meituan, LYFE Capital, Loyal Valley Capital Entities, Legend Capital Entities, Jiaxing Danqing, LAV Ordovician, SSF YRD Investment and Haibang Boyuan.

LYFE Capital, Loyal Valley Capital, Legend Capital and Jiaxing Danqing are sophisticated investors (as defined in the Listing Rules). Upon completion of the [**REDACTED**], each of LYFE Capital, Loyal Valley Capital, Legend Capital and Jiaxing Danqing will hold approximately [**REDACTED**]%, [**REDACTED**]%, [**REDACTED**]%, and [**REDACTED**]% of the total issued share capital of our Company, respectively. See "History, Development and Corporate Structure — Principal Terms of the Pre-[**REDACTED**] Investments" in this Document.

DIVIDEND

As of the Latest Practicable Date, we did not adopt any formal dividend policy or pre-determined dividend ratio. We have never declared or paid any dividends on our ordinary shares or any other securities. 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 intend to declare or pay any dividends in the foreseeable future. As confirmed by our PRC Legal Adviser, based on our Articles of Association and the Company Law of the People's Republic of China (Revised in 2023), we can pay dividend despite accumulated losses, except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year's profits shall first be used to make up for the losses. For more details, see "Financial Information — Dividend."

[REDACTED]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no H Shares are issued pursuant to the [**REDACTED**] or the [**REDACTED**]. The above [**REDACTED**] are comprised of (i) [**REDACTED**] of HK$[**REDACTED**], and (ii) [**REDACTED**] of HK$[**REDACTED**], including expenses from legal advisers and reporting accountants as well as other fees and expenses. During the Track Record Period, we incurred [**REDACTED**] of HK$[**REDACTED**], of which, HK$[**REDACTED**] were charged to our consolidated statements of profit or loss, and HK$[**REDACTED**] were attributable to the issue of Shares and will be deducted from equity. We expect to incur additional [**REDACTED**] of approximately HK$[**REDACTED**] after the Track Record Period, of which, approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] of which is attributable to the issue of Shares and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. See "Financial Information — [**REDACTED**]."

[REDACTED]

[**REDACTED**].

[**REDACTED**]

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and other estimated expenses paid and payable by us in connection with the [**REDACTED**], and assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share.

We currently intend to use the net [**REDACTED**] from the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for further R&D and planned commercialization of our Core Product, injectable ecnoglutide (XW003). Specifically,

  (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to conduct ongoing and planned clinical trials of injectable ecnoglutide (XW003); and

  (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for preparation of registration filings and other regulatory matters;

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for further R&D of our Key Products, XW004 and XW014;

(c) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for advancing other pipeline assets, including XW015, XW016, XW019, and XW020;

(d) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for upgrading manufacturing capacity and quality control system to support the commercialization of our Core Product injectable ecnoglutide (XW003); and

(e) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and other general corporate purposes.

For details, see "Future Plans and Use of [**REDACTED**] — Use of [**REDACTED**]."

RECENT DEVELOPMENTS

In January 2026 and March 2026, we received the approval for injectable ecnoglutide (XW003) for T2DM and overweight/obesity treatments from the NMPA, respectively. We entered into a commercialization agreement with Pfizer, according to which, we grant Pfizer an exclusive right to commercialize injectable ecnoglutide (XW003) in Chinese Mainland. We will remain the marketing authorization holder and will be responsible for research and development, registration, manufacturing, and supply of injectable ecnoglutide (XW003). For more details, see "Business — Commercialization." In January 2026, we also received the approval for conducting a Phase III trial for the treatment of OSA from NMPA. For more details, see "Business — Our Core Product — Clinical Development Plan."

In January 2026, we published the clinical trial results of our XW003 EECOH-1 study on *Nature Communication*. This trial is a Phase III multicentre, randomized, double-blind, placebo-controlled study to evaluate the change from baseline in HbA1c measured by the central laboratory after 24 weeks of treatment. The trial results demonstrated favorable effects on fasting glucose, waist circumference and β-cell function.

No Material Adverse Change

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, being the end of the period reported on the Accountants' Report included in Appendix I; and there has been no event since December 31, 2025 and up to the date of this Document which would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

In this Document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"Accountants' Report"	the accountants' report prepared by Ernst & Young, details of which are set out in Appendix I
"affiliate(s)"	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"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the [**REDACTED**], as amended from time to time, a summary of which is set out in Appendix III
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"AUD" or "AU$"	Australian dollars, the lawful currency of Australia
"Audit Committee"	the audit committee of the Board
"Beijing Heweida"	Beijing Heweida Enterprise Management Consulting Center (Limited Partnership)* (北京合為達企業管理諮詢中心(有限合夥)), a limited partnership established in the PRC on April 15, 2020, an Employee Incentive Platform and a member of our Single Largest Shareholders. As of the Latest Practicable Date, Beijing Heweida was managed by its general partner, Beijing Yangyuan
"Beijing Junyida"	Beijing Junyida Biotechnology Co., Ltd.* (北京君亦達生物科技有限責任公司), a company incorporated in the PRC on June 5, 2017 with limited liability and a member of our Single Largest Shareholders Group. As of the Latest Practicable Date, Beijing Junyida was owned as to 65% by Dr. Pan and 35% by Kawin Technology
"Beijing Yangyuan"	Beijing Yangyuan Enterprise Management Consulting Co., Ltd.* (北京揚遠企業管理諮詢有限公司), a company incorporated in the PRC on March 24, 2020 with limited liability and a member of our Single Largest Shareholders Group. As of the Latest Practicable Date, Beijing Yangyuan was wholly owned by Dr. Pan
"Board" or "our Board"	the board of Directors

"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
	[**REDACTED**]
"Cayman Companies Act" or "Companies Act"	the Companies Act (Revised) of the Cayman Islands, as amended, supplemented or modified from time to time
	[**REDACTED**]
"CDA"	China Drug Administration (國家藥品監督管理總局)
"CDE"	Center for Drug Evaluation (藥品審評中心)
"Chairman"	the chairman of the Board
"Chinese Mainland" or "PRC"	the People's Republic of China which, for the purpose of this Document and for geographical reference only, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China, and Taiwan Region
"China Medical Association"	the medical association of China (中國藥物協會)
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"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
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	Hangzhou Sciwind Biosciences Co., Ltd. (杭州先為達生物科技股份有限公司), a limited liability company established in the PRC on August 17, 2017 and converted into a joint stock limited liability company on September 8, 2023, formerly known as Hangzhou Sciwind Biosciences Co., Ltd. (杭州先為達生物科技有限公司)
"Compliance Adviser"	Rainbow Capital (HK) Limited

"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Core Product"	has the meaning ascribed thereto under Chapter 18A of the Listing Rules and in this context, refers to XW003
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"Dr. Pan"	Dr. Pan Hai (潘海), our founder, chairman of the Board, executive Director, general manager, and a member of the Single Largest Shareholders Group
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Platform(s)"	refers to Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida, each being a shareholding platform established under the Pre-[**REDACTED**] Equity Incentive Plans
	[**REDACTED**]
"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
	[**REDACTED**]

"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this Document
	[**REDACTED**]
"Group", "our Group", "our", "we" or "us"	our Company and our subsidiaries
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024
"H Share(s)"	overseas [**REDACTED**] foreign share(s) in the share capital of our Company, which is/are to be subscribed for and traded in HK dollars and to be [**REDACTED**] on the Stock Exchange, with a nominal value of RMB1.0 each before the completion of the [**REDACTED**]; or a nominal value of RMB[**REDACTED**] each upon the completion of the [**REDACTED**], which is/are to be subscribed for and traded in HK dollars and to be [**REDACTED**] on the Hong Kong Stock Exchange
"Hangzhou Shiweida"	Hangzhou Shiweida Enterprise Management Consulting Partnership Enterprise (Limited Partnership)* (杭州實為達企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on November 10, 2021, an Employee Incentive Platform and a member of our Single Largest Shareholders Group. As of the Latest Practicable Date, Hangzhou Shiweida was managed by its general partner, Beijing Yangyuan
"HK$" or "Hong Kong Dollars" or "HK Dollars" and "HK cents"	Hong Kong dollars, the lawful currency of Hong Kong
	[**REDACTED**]

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

[**REDACTED**]

"Joint Sponsor(s)"	the joint sponsors of the [**REDACTED**] as named in "Directors and Parties Involved in the [**REDACTED**]"

"Kawin Technology"	Beijing Kawin Technology Share-Holding Co., Ltd. (北京凱因科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688687.SH)
"Latest Practicable Date"	March 15, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication
	[**REDACTED**]
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
	[**REDACTED**]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"M&A Rules"	the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong 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)
"NHC"	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC

"PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法)
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Adviser"	Zhong Lun Law Firm, our legal adviser on PRC laws in connection with the [**REDACTED**]
"Pre-[**REDACTED**] Equity Incentive Plans"	the pre-[**REDACTED**] employee incentive plans of our Company, adopted in August 2020, December 2021 and September 2025, respectively
"Pre-[**REDACTED**] Investor(s)"	the investor(s) making investments in our Group prior to the [**REDACTED**] as set out in "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments — Overview"
"Pre-[**REDACTED**] Investment(s)"	the investment(s) in our Group undertaken by the Pre-[**REDACTED**] Investors prior to this [**REDACTED**], the details of which are set out in "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments"

[**REDACTED**]

"QIB"	a qualified institutional buyer within the meaning of Rule 144A
"Regulation S"	Regulation S under the U.S. Securities Act
"Renminbi" or "RMB"	the lawful currency of the PRC
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

"SAIC"	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the SAMR
"SAMR"	the 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)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"Sciwind APAC"	Sciwind Biosciences APAC Co. Pty Ltd, a company incorporated in Australia on May 3, 2019 and a wholly-owned subsidiary of our Company
"Sciwind Beijing"	Beijing Sciwind Biosciences Co., Ltd.* (北京先為達生物科技有限公司), a company incorporated in the PRC with limited liability on October 15, 2020 and a wholly-owned subsidiary of our Company
"Sciwind Shanghai"	Sciwind Biosciences (Shanghai) Co., Ltd.* (先為達生物科技(上海)有限公司), a company incorporated in the PRC with limited liability on December 6, 2021 and a wholly-owned subsidiary of our Company
"Sciwind USA"	Sciwind Biosciences USA Co., Ltd., a company incorporated in the United States with limited liability on October 26, 2020 and a wholly-owned subsidiary of our Company
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai Xiankeda"	Shanghai Xiankeda Corporate Management Consulting Partnership Enterprise (Limited Partnership)* (上海先科達企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on July 30, 2021, an Employee Incentive Platform and a member of our Single Largest Shareholders Group. As of the Latest Practicable Date, Hangzhou Shiweida was managed by its general partner, Beijing Yangyuan
"Share(s)"	ordinary share(s) in the share capital of our Company, including both Unlisted Shares and H Shares, with a nominal value of RMB1.0 each, before the completion of the [**REDACTED**]; or a nominal value of RMB[**REDACTED**] each upon the completion of the [**REDACTED**]

[**REDACTED**]

"Shareholder(s)"	holder(s) of our Share(s)
"Single Largest Shareholders Group"	refers to Dr. Pan and his controlled entities, including Beijing Yangyuan, Beijing Junyida, and our Employee Incentive Platforms, namely Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida

[**REDACTED**]

"Sophisticated Investor(s)"	has the meaning ascribed to it under Chapter 2.3 of the Guide for New Listing Applicants

[**REDACTED**]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Track Record Period"	the financial years ended December 31, 2024 and 2025
"treasury shares"	has the meaning ascribed thereto under the Listing Rules
"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches
"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax

[**REDACTED**]

"%"	per cent

Certain amounts and percentage figures included in this Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

* *For identification purposes only*

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this Document in connection with us and our business. As such, some of these terms and their meanings may not correspond to standard industry definitions or usage of these terms and may not be comparable to similar terms adopted by other companies.

"ADA"	American Diabetes Association
"AEs"	adverse events
"AHI"	apnea-hypopnea index, a metric used to assess the severity of sleep apnea by measuring the average number of apnea and hypopnea events per hour of sleep
"β-arrestin"	a family of intracellular adaptor proteins that regulate G protein-coupled receptor (GPCR) signaling by promoting desensitization, internalization, and G protein-independent pathways
"BLA"	Biologics License Application, the regulatory submission filed with NMPA, the FDA, or other administrative agencies seeking approval to introduce a biologic product into the market
"cAMP"	cyclic adenosine monophosphate, a molecule that transmits signals inside cells
"CDMO"	contract development and manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis, providing drug development and drug manufacturing services
"C_{max}"	maximum plasma concentration, a pharmacokinetic parameter that measures the highest concentration of a drug in the blood, cerebrospinal fluid, or target organ after a dose is given
"CMC"	chemistry, manufacturing, and controls, a term for the chemical composition, formulation, and quality control processes used in the manufacturing of a drug
"CMO"	contract manufacturing organization, a company that provides outsourced manufacturing services for pharmaceutical and biotechnology products
"Cohort"	a group of participants as part of a clinical trial who share a common characteristic or experience within a defined period and who are monitored over time
"CRO"	contract research organization, a company that provides research services to pharmaceutical and biotechnology companies on a contract basis

GLOSSARY OF TECHNICAL TERMS

"CSO"	contract sales organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of services for the development and commercialization of new drugs, medical devices, and other healthcare products
"C_{trough}"	the concentration of a drug in the bloodstream measured just before the next dose is administered
"DIO"	diet-induced obese
"DPP-4"	dipeptidyl peptidase-4, also known as adenosine deaminase complexing protein 2 or CD26 (cluster of differentiation 26), an enzyme expressed on the surface of most cell types and associated with immune regulation, signal transduction, and apoptosis
"DTP"	direct-to-patient, a strategy where a healthcare company delivers products, services, or clinical trial support directly to patients, bypassing traditional intermediaries like pharmacies or healthcare providers, to enhance accessibility and engagement
"EASD"	European Association for the Study of Diabetes
"FDA"	Food and Drug Administration
"GCP"	Good Clinical Practice
"GLP-1"	glucagon-like peptide-1, a peptide hormone that decreases blood sugar levels in a glucose-dependent manner by enhancing the secretion of insulin
"GMP"	Good Manufacturing Practice
"GPCR"	G protein-coupled receptors, cell surface receptors that mediate cellular signaling in response to hormones, neurotransmitters, and other stimuli. When activated by a ligand, they undergo a conformational change that activates intracellular G proteins, triggering downstream signaling cascades. Due to their role in diverse physiological processes, GPCRs are major drug targets
"HbA1c"	glycated hemoglobin, formed when hemoglobin joins with glucose in the blood and becomes glycated
"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; also known as clinical trial application, or CTA, in China

"KOL"	key opinion leader, an influential expert, typically a physician or researcher, whose expertise and authority in a specific medical field help shape clinical practices, research directions, or market perceptions for a company's products or services
"LDL"	low-density lipoprotein, a type of lipoprotein that carries cholesterol and other fats through the bloodstream
"MASH"	metabolic dysfunction-associated steatohepatitis, the liver manifestation of a metabolic disorder, and the most severe form of metabolic dysfunction-associated steatotic liver disease (MASLD)
"NCA"	a pharmacokinetic analysis using the non-compartmental analysis method, which calculates drug exposure and elimination parameters directly from observed concentration-time data
"NDA"	New Drug Application, a formal proposal submitted to NMPA, the FDA, or other administrative agencies seeking approval to introduce a new pharmaceutical into the market, including data on the drug's safety, efficacy, and manufacturing process
"NEP"	an enzyme that degrades vasoactive peptides, such as natriuretic peptides and bradykinin, and is a therapeutic target in cardiovascular diseases
"NMPA"	the National Medical Products Administration of the PRC
"NRDL"	the National Reimbursement Drug List, a list that names all the drugs covered by the medical insurance program in full or partially in China
"OSA"	a sleep disorder characterized by repeated episodes of upper airway obstruction during sleep, leading to disrupted breathing and poor sleep quality
"Phase I"	a study 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 Ia"	an early study that primarily evaluates the safety, tolerability and pharmacokinetics of a drug in healthy subjects (the designations Phase Ia, Phase Ib and Phase Ic are assigned by us to reflect the specific clinical objectives of each study and not subject to a mandatory sequential naming convention)

"Phase Ib"	A study that further evaluates safety, tolerability and preliminary efficacy of a drug, usually in patients with the target disease (the designations Phase Ia, Phase Ib and Phase Ic are assigned by us to reflect the specific clinical objectives of each study and not subject to a mandatory sequential naming convention)
"Phase II"	a study 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"	a study 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
"PI"	principal investigator; 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
"QD"	once per day, a term indicating the frequency at which a treatment or medication is administered
"QM"	once per month, a term indicating the frequency at which a treatment or medication is administered
"QW"	once per week, a term indicating the frequency at which a treatment or medication is administered
"SMO"	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
"TEAE"	the adverse medical event occurring during the treatment period
"TG"	triglyceride, a type of fat found in the blood, used as an indicator of metabolic and cardiovascular health
"T2DM"	type 2 diabetes mellitus, a form of diabetes characterized by high blood sugar, insulin resistance and relative lack of insulin; the pancreas in T2DM patient makes less insulin, and the body becomes resistant to insulin

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains forward-looking statements and information relating to us and our 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," "aspire," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "schedules," "seek," "should," "target," "vision," "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 risk factors as described in "Risk Factors" and elsewhere in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- our product candidates under development or planning;
- the timing and outcome of the applications for registration of our products with the NMPA and other regulators;
- general economic, political and business conditions in the markets in which we operate, including but not limited to interest rates, foreign exchange rates;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to effectively control costs and operating expenses;
- the ability of business partners to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our service and geographic expansion plans; and
- all other risks and uncertainties described in "Risk Factors".

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

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. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this Document.

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.

[**REDACTED**] *in our Shares involves significant risks. You should carefully consider all of the information set out in this Document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our Shares. In particular, we are a biopharmaceutical company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the biopharmaceutical industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your* [**REDACTED**] *in our Shares. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The* [**REDACTED**] *of our Shares could decline due to any of these risks, and you may lose all or part of your* [**REDACTED**]. *Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.*

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, which will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this Document.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to the development and regulatory approval of our drug candidates; (ii) risks relating to the manufacturing and commercialization of our drug candidates; (iii) risks relating to our financial prospects; (iv) risks relating to our intellectual property rights; (v) risks relating to our operations; (vi) risks relating to doing business in the jurisdictions we operate; and (vii) risks relating to the [**REDACTED**].

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

RISKS RELATING TO THE DEVELOPMENT AND REGULATORY APPROVAL OF OUR DRUG CANDIDATES

We may face intense competition in R&D and the possibility that our competitors may develop drug candidates that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and results of operations.

The pharmaceutical industry is highly competitive, particularly in the weight management field where multinational pharmaceutical companies have already launched blockbuster. We expect to face intense competition from both established international players and emerging domestic companies with respect to any drug candidates we seek to develop.

Many of our drug candidates that are under R&D will face competition from products developed by major international and domestic pharmaceutical companies with the same targets as ours. For example, our injectable ecnoglutide (XW003) is a novel, long-acting cAMP-biased GLP-1 receptor agonist designed for the treatments of overweight/obesity and T2DM. As of the Latest Practicable Date, there were 10 injectable GLP-1 receptor agonists approved in China and more than 28 injectable GLP-1 receptor agonist candidates undergoing clinical trials for the treatment of T2DM in China. We face (i) intense competition from approved drugs from multinational pharmaceutical companies; and (ii) potential competition from drug candidates under clinical development all over the globe.

Successful competition with products of the same targets as our drug candidates will depend on various factors, including the timing of regulatory approvals, the efficacy and safety profile of our drug candidates in comparison to other products and convenience of our dosing regimens. However, we cannot guarantee you that we will be able to successfully compete on all or any of the aforementioned aspects against major pharmaceutical companies that operate on a global or national level.

Furthermore, our drug candidates' R&D will also face competition from products with different targets developed for the same indication, including DPP-4 inhibitors and SGLT-2 inhibitors, which have already been approved by the NMPA for the treatment of T2DM in Chinese Mainland. Specifically, GLP-1 receptor agonists show the greatest efficacy, with up to 2.2% HbA1c reduction and weight loss of 4.7%-13.1%. They also provide clear benefits for major adverse cardiovascular events (MACE) and diabetic kidney disease (DKD). DPP-4 inhibitors achieve up to 0.9% HbA1c reduction, have minimal impact on body weight, and show a relatively neutral effect on MACE and DKD. SGLT-2 inhibitors provide up to 1.2% HbA1c reduction, accompanied by weight loss of 1.6%-4.9%, and demonstrate certain benefits for MACE and DKD.

If the market size of our drug candidates is smaller than we expected, it may raise uncertainties to our R&D investments and drug candidates' future prospects.

Our estimates regarding our eligible patient population, pricing and available coverage and reimbursement determine our estimated market size, which may differ significantly from the actual market addressable by our drug candidates. Our estimates of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and analysis. These estimates have been derived from a variety of sources, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of the diseases we are targeting. The number of our target patients may turn out to be lower than expected. Likewise, the potentially addressable patient population for each of our drug candidates may be limited or may not be receptive to treatment with our drug candidates, and new patients may become increasingly difficult to identify or access. If the market opportunities for our drug candidates are smaller than we estimate, it may impact our future R&D strategies.

Our injectable ecnoglutide (XW003) has been developed for the indications of overweight/obesity, T2DM, moderate-to-severe obesity, adolescent obesity, MASH, OSA and other obesity related comorbidities. However, given the presence of various prevention methods, such as lifestyle changes, regular exercise and weight management, as well as existing and potential alternative treatment options, for our targeted indications, the market potential of the injectable ecnoglutide (XW003) may be limited. As a result, even though the number of patients of our targeted indications may be large, the actual addressable patients of our drug candidates may be limited and smaller than we expected. Our R&D investments in relation to injectable ecnoglutide (XW003) may not generate the expected return, thereby, having an adverse effect on our business, financial condition, results of operations and prospects.

Our business, financial condition, results of operations, and prospects may be materially and adversely affected if there are any failure, delays or cost overruns regarding the clinical development or approval of our drug candidates or the successful commercialization of our Core Product XW003.

Our business substantially depends on the timely and successful development and commercialization of our drug candidates. We have devoted significant efforts and financial resources to the development of our drug candidates. As of the Latest Practicable Date, we

had eight drug candidates in various development stages. The successful development and commercialization of our drug candidates and the sufficient revenue and cash flow to continue our operations will depend on several factors, including but not limited to: (i) successful completion of clinical trials and preclinical studies; (ii) favorable safety and efficacy data from our clinical trials and studies; (iii) receipt of regulatory approvals; (iv) the ability of our business partners to assist in conducting our clinical trials in accordance with our trial protocols; (v) establishing commercial capabilities; (vi) the performance by third-party research organizations we may retain in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data; (vii) obtaining and maintaining intellectual property protection and regulatory exclusivity; (viii) appropriately pricing our drug candidates and timely collecting payments; (ix) efficiently and cost-effectively building up our marketing platforms and distribution channels; and (x) competition with other comparable products.

If our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.

Before obtaining regulatory approval for the commercialization of our drug candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. If the results of clinical trials of our drug candidates are not positive or only modestly positive for proposed indications or if they raise safety concerns, some of the following could occur: (i) delayed or denied regulatory approvals for our drug candidates; (ii) additional clinical trials or other testing of our products; (iii) additional labeling statements required, such as a "boxed" warning or a contraindication; (iv) a medication guide outlining the risks of the side effects for distribution to patients; (v) a risk evaluation and mitigation strategy program, including but not limited to doctor communication plans or elements to assure safe use; (vi) failure to obtain regulatory approvals for the proposed indications as intended; (vii) restrictions on how the drug is distributed or used; (viii) liabilities for injury caused to individuals exposed to or taking our drug candidates; and (ix) conditional regulatory approvals and required confirmatory studies to verify the predicted clinical benefit and additional safety studies.

Having expended a significant amount of capital to progress our drug candidates, if such drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities, we would not be able to realize any revenue on such drug candidates, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

Clinical product development involves a lengthy and expensive process with uncertain outcomes, and we or our collaborators may be unable to commercialize our drug candidates at all.

We face uncertainties in clinical trial development which are subject to a variety of factors, including satisfactory safety and efficacy results from clinical trials, successful enrollment of patients, and performance of CROs and other parties involved in clinical trial development and others. We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approvals including but not limited to: (i) regulators may not authorize us or our investigators to commence a clinical trial at a prospective trial site; (ii) clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs; (iii) the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment may be insufficient or slower than we anticipate; (iv) our CROs may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner; (v) we might have to suspend or terminate clinical trials of our drug candidates due

to a lack of clinical response, a finding that participants are being exposed to unacceptable or health risks non-compliance with regulatory requirements; (vi) the cost of clinical trials of our drug candidates may be greater than we anticipate; or (vii) the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate.

If we do not achieve one or more of these factors in a timely manner, our drug candidates may not be successfully commercialized at all which would materially harm our business, and we may fail to generate sufficient revenues or cash flows to continue our operations.

Results of earlier clinical trials may not be predictive of results of later-stage clinical trials.

The results of preclinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-phase clinical trials. 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 and early-phase clinical trials. A number of companies in the weight management field have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Future clinical trial results may not be favorable for these and other reasons. In some cases, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations including genetic differences, patient adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. As drug candidates are developed from preclinical to early- to late-stage clinical trials towards approval and commercialization, it is customary that various aspects of the development program, such as manufacturing and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives. In the case of any trials we conduct, results may differ from earlier trials due to the larger number of clinical trial sites and additional countries and languages involved in such trials. Any of these changes could make the results of planned clinical trials or other future clinical trials we may initiate less predictable and could cause our drug candidates to perform differently, which could delay completion of clinical trials, delay approval of our drug candidates and/or jeopardize our ability to commence commercialization of our drug candidates.

If we encounter delays or difficulties enrolling subjects in our clinical trials, clinical development of our drug candidates could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients or participants who remain in the trial until its conclusion. We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible patients or participants to participate in these trials, or if there are delays in the enrollment of eligible patients or participants as a result of the competitive clinical enrollment environment.

We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons, including but not limited to: (i) design and eligibility criteria for the clinical trial in question; (ii) perceived risks and benefits of the drug candidate under study; (iii) our resources to facilitate timely enrollment in clinical trials; (iv) patient referral practices of physicians; (v) availability of competing therapies; (vi) our investigators' or clinical trial sites' efforts to screen and recruit eligible patients or participants; or (vii) proximity and availability of clinical trial sites for prospective patients or participants.

In addition, some of our competitors have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and patients or participants who would

be eligible for our clinical trials may instead enroll in the clinical trials of our competitors' drug candidates, which may further delay our clinical trial enrollments. Even if we are able to enroll a sufficient number of patients or participants in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

Our resource allocation could delay or otherwise adversely affect our clinical development progress.

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to allocate sufficient resources to participate in these trials. We may delay clinical trials due to prioritization of resources for the clinical development of our drug candidates. Significant clinical trial delays may increase our development costs and could shorten any periods during which we have the exclusive right to commercialize our drug candidates or allow our competitors to bring products to market before we do. This could impair the commercialization our drug candidates and may harm our business and results of operations.

We work with various third parties to develop our drug candidates. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for our drug candidates, and our business, financial condition and results of operations could be materially and adversely affected.

We work with third parties to execute our preclinical studies and clinical trials, and control certain aspects of their activities. We are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocols, legal and regulatory requirements and scientific standards, and our collaboration with the engaged third parties does not relieve us of our regulatory responsibilities. We, our engaged third parties for our clinical programs and our clinical investigators are required to comply with GCPs, which are regulations and guidelines enforced by the NMPA, FDA and other comparable regulatory authorities for all of our products in clinical development. If we or any of our engaged third parties or clinical investigators fail to comply with the applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the NMPA, FDA or other comparable regulatory authorities may require us to perform additional clinical trials before approving our regulatory applications. In addition, our pivotal clinical trials must be conducted with products produced under GMPs. Any failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with these third parties terminates, we may not be able to enter into arrangements with alternatives on commercially reasonable terms. In addition, our engaged third parties are not our employees, and except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and nonclinical programs. If our engaged third parties fail to duly perform their contractual obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approvals for our drug candidates. Switching or adding additional third parties involves additional cost and delays, which can materially influence our ability to meet our desired clinical development timelines.

If we cannot maintain or develop clinical collaborations and relationships with our principal investigators, key opinion leaders, physicians and experts, our results of operations and prospects could be adversely affected.

Our relationships with PIs, KOLs, physicians and experts play an important role in our research and development and marketing activities. We cannot assure you that we will be able

to maintain or strengthen our clinical collaborations and relationships with our PIs and KOLs, physicians and experts, 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 collaborate with us but collaborate with our competitors instead. Even if they continue to collaborate with us, their market insights and perceptions, which we take into account in our research and development process, may be inaccurate and lead us to develop products that do not have significant market potential. Moreover, we cannot assure you that our planned academic promotion and marketing strategy will serve as an effective marketing strategy. Industry participants may no longer want to collaborate with us or attend our conferences, and our marketing strategy may not yield results that are commensurate to our efforts spent. If we are unable to 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.

Our drug candidates may cause undesirable adverse events.

Undesirable adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the NMPA, FDA and other comparable regulatory authorities. In such an event, our clinical trials could be suspended or terminated and the NMPA, FDA and other comparable regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. Product-related adverse events could also affect patient recruitment or the ability of enrolled subjects to complete the trial, and could result in potential product liability claims. Any of these occurrences may materially harm our reputation, business, financial condition, results of operations and prospects.

Additionally, if one or more of our drug candidates receive regulatory approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including: (i) suspension of product marketing; (ii) withdrawal of approvals granted to the product; (iii) additional warnings being placed on the label; (iv) further risk evaluation and mitigation measures for the product; (v) mandatory post-market studies; (vi) liabilities for harm caused to patients; and (vii) reputation damage.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular drug candidate, and could significantly harm our business, financial condition, results of operations and prospects.

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 relinquish valuable rights to that drug candidate through licensing, collaboration or royalty arrangements in cases where it would have been more advantageous for us to retain sole development and commercialization rights to such a drug candidate, or we may 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.

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

The global pharmaceutical market is constantly evolving, and we must keep pace with new technologies and methodologies to maintain our competitive position. In 2024 and 2025, our research and development expenses were RMB284.0 million and RMB158.8 million, respectively. 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 SciwindCore™ technology platform and drug candidates, and harm our business and prospects.

We may not be able to identify or discover new drug candidates.

We have already identified and developed eight drug candidates. However, in the future, we may fail to continue to identify drug candidates for clinical development. For example, our research methodology may be unsuccessful in identifying potential drug candidates or those we identify may be shown to have harmful adverse effects or other characteristics that make them unmarketable or unlikely to receive regulatory approval. Research programs to pursue the development of our drug candidates for additional indications and to identify new drug candidates and product targets require substantial technical, financial and human resources. Our research programs may initially show promise in identifying potential indications and/or drug candidates, yet fail to yield results for clinical development for a number of reasons, including but not limited to: (i) the research methodology used may not be successful in identifying potential indications and/or drug candidates; (ii) potential drug candidates may, after further study, be shown to have adverse effects or other characteristics that indicate they are unlikely to be effective products; or (iii) it may take greater resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates, thereby limiting our ability to diversify and expand our product portfolio.

Accordingly, there can be no assurance that we will ever be able to identify additional therapeutic opportunities for our drug candidates which could materially adversely affect our future growth and prospects.

Even after we obtain regulatory approval for the marketing and distribution of our products, our products will continue to be subject to ongoing or additional regulatory obligations and continue to be subject to regulatory review, which may result in significant additional expenses.

If the NMPA, the FDA or a comparable regulatory authority approves any of our drug candidates, the current and future manufacturing processes, labeling, packaging, storage, distribution, adverse event reporting, advertising, promotion, sampling, record keeping and post-marketing studies for the product will be subject to extensive and ongoing or additional regulatory requirements on pharmacovigilance. Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing studies for the surveillance and monitoring of the safety and efficacy of the product.

In addition, once a product is approved by the NMPA, the FDA or a comparable regulatory authority for marketing, it is possible that there could be a subsequent discovery of

previously unknown problems with the product, 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 candidates, it may result in, among other things: (i) restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary or mandatory product recalls; (ii) fines, warning letters or holds on our clinical trials; (iii) refusal by the NMPA, the FDA or comparable regulatory authorities to approve pending applications or suspension or revocation of product license approvals; (iv) refusal by the NMPA, the FDA or comparable regulatory authorities to accept any of our other IND or NDA approvals; (v) suspension or revocation of existing product license approvals; (vi) product seizure or detention, or refusal to permit the import or export of products; and (vii) injunctions or the imposition of civil, administrative or criminal penalties.

Moreover, regulatory policies may evolve 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 have a material adverse effect on our business, financial condition, results of operations and prospects.

The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities are time-consuming and may evolve over time, and if we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The time required to obtain the approval of the NMPA, FDA and other comparable regulatory authorities is uncertain and depends on numerous factors, including the substantial discretion of the regulatory authorities. Generally, such approvals take years to be obtained following the commencement of preclinical studies and clinical trials. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate's clinical development and may vary among jurisdictions. We cannot guarantee that we will be able to obtain regulatory approvals for our other existing drug candidates or any drug candidates we may discover, in-license or acquire and seek to develop in the future.

Our drug candidates could fail to receive the regulatory approval of the NMPA, FDA or a comparable regulatory authority for many reasons, including but not limited to: (i) disagreement with the design or implementation of our clinical trials; (ii) failure to demonstrate that a drug candidate is safe and effective; (iii) failure of our clinical trial results to meet the level of statistical significance required for approval; (iv) failure of our clinical trial process to pass relevant GCP inspections; (v) disagreement with our interpretation of data from preclinical studies or clinical trials; (vi) insufficient data collected from the clinical trials of our drug candidates to obtain regulatory approval; (vii) failure of our drug candidates to pass current GMP inspections during the regulatory review process or across the production cycle of our drug candidates; (viii) failure of our clinical sites to pass audits carried out by the NMPA, FDA or other comparable regulatory authorities, resulting in a potential invalidation of our research data; (ix) changes in approval policies or regulations that render our preclinical and clinical data insufficient for obtaining approvals; or (x) failure of our clinical trial process to keep up with any scientific or technological advancements required by approval policies or regulations.

Even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, grant approval contingent on the performance of costly post-marketing clinical trials, or approve a drug candidate with an indication that is not desirable for the successful commercialization of that drug candidate. Legislative and regulatory proposals may also, from time to time, be made to expand existing

requirements. For example, increased scrutiny by the United States Congress of the FDA's approval process may significantly delay or prevent regulatory approval for marketing, and potentially introduce more stringent product labeling and post-marketing conditions. Any of the foregoing scenarios could materially harm the commercial prospects of our drug candidates.

All material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated. We may fail to comply with relevant laws and regulations, which could adversely affect our business and results of operations.

All jurisdictions in which we intend to conduct our pharmaceutical industry activities regulate these activities in great depth and detail. These jurisdictions strictly regulate the pharmaceutical industry, and in doing so they employ extensive regulations governing the development, approval, manufacturing, marketing, sales and distribution of pharmaceutical products. Differences in regulatory regimes across jurisdictions may lead to a higher compliance burden.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development process and approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include but are not limited to: refusal to approve pending applications; withdrawal of an approval; license revocation; clinical hold; mandatory product recalls; total or partial suspension of production or distribution; injunctions, refusals of government contracts; injunctions, fines and other civil or criminal penalties. Failure to comply with these regulations could therefore have a material adverse effect on our business.

RISKS RELATING TO THE MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

We have limited experience in launching and marketing our products. Failure to effectively commercialize our drug candidates after obtaining the regulatory approval, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We have not yet demonstrated our ability to commercialize any of our products, including our injectable ecnoglutide (XW003). The successful commercialization of injectable ecnoglutide (XW003) and other drug candidates in the future may involve more inherent risk, take longer, and cost more than it would if we were a company with experience in launching and marketing drug candidates. We will be competing with many companies that currently have commercialization teams and extensive sales and marketing operations. We may be unable to compete successfully against these more established companies.

The commercialization of products requires significant expenditures, management resources and time. We will have to continuously compete with other pharmaceutical companies to recruit, hire, train and retain marketing and sales personnel. If we are unable to, or decide not to, further develop internal sales, marketing and commercial distribution capabilities, we will likely encounter difficulties in commercializing our products.

However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Revenue to be generated from product sales will depend upon the efforts of such third parties. We would have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower if our collaborating third parties do not perform as expected. We will also face competition in our engagement of third parties to assist us with the sales and marketing efforts for our injectable ecnoglutide (XW003).

There can be no assurance that we will be able to further develop and successfully maintain in-house sales and commercial distribution capabilities to successfully commercialize any of our drug candidates, if and when approved, nor can we assure that we will be able to establish or maintain relationships with third-party collaboration partners for effective sales and marketing of our injectable ecnoglutide (XW003). As a result, we may not be able to generate product sales revenue as planned and our business and prospects may suffer.

Our drug candidates, once launched, may fail to achieve or maintain the degree of market acceptance by physicians, medical institutions, pharmacies, patients, third-party payers and others in the medical community necessary for commercial success.

Even though we have obtained regulatory approval for our injectable ecnoglutide (XW003), or if our other existing and future drug candidates receive requisite regulatory approvals for commercialization, such products may fail to gain sufficient market acceptance by physicians, patients, third-party payers and others in the medical community. If our products do not achieve an adequate level of acceptance, the commercialization of such products may become less successful or profitable than we had expected. The degree of market acceptance of our products, if approved for sale, will depend on a number of factors, including, but not limited to: (i) the clinical indications for which our products are approved; (ii) safe and effective treatments considered by physicians, hospitals, medical treatment centers and patients; (iii) the potential and perceived advantages of our products over alternative treatments; (iv) the prevalence and severity of any side effects; (v) product labelling or package insert requirements of regulatory authorities; (vi) the timing of market introduction of our products as well as competitive products; (vii) the cost of treatment in relation to alternative treatments; (viii) price control or downward adjustment by the government authorities; (ix) relative convenience and ease of administration; (x) adverse publicity about our products or favorable publicity about competitive products; and (xi) the effectiveness of our sales and marketing efforts.

Even if our injectable ecnoglutide (XW003) or our future approved drug candidates achieve market acceptance, we may not be able to maintain such market acceptance over time if new products or technologies are introduced that are more favorably received than our products, are more cost-effective or render our products obsolete. Our failure to achieve or maintain market acceptance for our injectable ecnoglutide (XW003) or future approved drug candidates would materially adversely affect our business, financial condition, results of operations and prospects.

Our products may not be covered by reimbursement programs or may become subject to unfavorable reimbursement practices, either of which could harm our business.

Our ability to commercialize any approved drug candidates successfully will depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities and/or third-party payers, such as private health insurers and health maintenance organizations. The regulations that govern reimbursement for new therapeutic products vary substantially from country to country.

In Chinese Mainland, the NRDL includes products under the National Medical Insurance Catalogue, which affect the amounts reimbursable to program participants for those products. There can be no assurance that any of our drug candidates will be included in the NRDL after initial approval for sale. Innovative products similar to our drug candidates have historically faced limited inclusion in the NRDL in Chinese Mainland due to their relatively high cost and reimbursement constraints, and there can be no assurance that our products, if approved, will be successfully included in such reimbursement lists. If we were to successfully commercialize our products but fail in our efforts to have our products included in the NRDL, our revenue from sales will be highly dependent on patient self-payment, which can make our products less competitive.

In addition, a key trend in the pharmaceutical industry is cost containment, with government authorities and payers limiting coverage and reimbursement for high-cost drugs, and our products may face similar restrictions if approved. As a result, even if our drug candidates are successfully approved by the NRDL or any other reimbursement programs sponsored by government health administration authorities and third-party payers, our potential revenue from the sales of these products could still decrease as a result of the significantly lowered prices. We cannot assure you that reimbursement will be available for our drug candidates that we commercialize and, if reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any approved drug candidate that we commercialize. Obtaining or maintaining reimbursement for approved drug candidates may be particularly difficult because of the higher prices often associated with products administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate that we successfully develop.

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, FDA or other comparable regulatory authorities. Moreover, eligibility for reimbursement does not imply that any product will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Payment rates may vary according to the uses of the products and the clinical setting in which the products are used, may be based on payments allowed for lower-cost products that are already reimbursed, and may be incorporated into existing payments for other services. Net prices for products may be reduced by mandatory discounts or rebates required by government healthcare programs or private payers and by any future weakening of laws that presently restrict imports of products from countries where they may be sold at lower prices. Our inability to promptly obtain reimbursement coverage at intended payment rates from both government-funded and private payers for our drug candidates and any new drug candidates that we develop could have a material adverse effect on our business, operating results, and financial condition.

We currently rely on third parties to manufacture our drug candidates for clinical development, and we may continue to rely on third parties to manufacture our drug candidates at the beginning of the commercialization of our drug candidates. Our business could be adversely affected if those third parties fail to deliver sufficient quantities of quality products.

As of the Latest Practicable Date, we had not established any manufacturing facilities for clinical or commercial-scale production and currently rely on well-established CDMOs for

the manufacturing of our drug candidates. Upon obtaining regulatory approval, we plan to collaborate with our CDMOs to achieve initial commercial-scale manufacturing and supply. However, our reliance on CDMOs exposes us to risks relating to capacity, quality control, regulatory compliance, and supply chain stability. Reliance on the CDMOs would expose us to the following risks:

- if the CDMOs face production issues, such as capacity constraints or supply chain disruptions, it could lead to delays in the availability of drug candidates for clinical trials or commercialization. This could slow down the development timelines or prevent the product from reaching the market on time;

- if the CDMOs produce substandard or defective products, it could compromise the integrity and safety of the product. This could lead to clinical trial failures, regulatory delays, or even safety recalls after the products have been commercialized. Such issues could severely harm our reputation and market trust;

- relying on CDMOs means we have less control over the production process, which could expose us to unforeseen risks like operational inefficiencies or failure to meet market demand;

- if the CDMOs increase their prices or encounter cost-related issues, it could result in higher production costs for us, affecting our profitability;

- we may be unable to identify manufacturers on acceptable terms, or at all, because the number of potential manufacturers is limited and the NMPA, the FDA or other comparable regulatory authorities must evaluate and/or approve any manufacturers as part of their regulatory oversight of our drug candidates. This evaluation would require new testing and GMP inspections by the NMPA, the FDA or other comparable regulatory authorities;

- our CDMOs might be unable to produce the quantity and quality required to meet our clinical and commercial needs, if any;

- manufacturers are subject to ongoing periodic unannounced inspection and other government regulations by the NMPA, the FDA or other comparable regulatory authorities to ensure strict compliance with GMPs and cGMPs. We do not have control over the CDMOs' compliance with these regulations and requirements;

- the CDMOs may not properly obtain, protect, maintain, defend or enforce our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- the CDMOs may infringe, misappropriate, or otherwise violate the patent, trade secret, or other intellectual property rights of third parties;

- raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects; and

- our CDMOs and critical raw material suppliers may be subject to inclement weather, as well as natural or man-made disasters.

We have no experience in managing pharmaceutical products' manufacture on a large commercial scale and our business could be materially and adversely affected if we encounter problems in manufacturing our future products.

As of the Latest Practicable Date, we had not established any manufacturing facility for clinical and commercialization scale. We currently outsource the production of our drug candidates to well-established CDMOs. We have no experience in large-scale manufacturing of our products for commercial use. Anticipating future commercialization, we plan to continue to engage third-party CDMOs to manufacture our approved drug products.

Manufacturing methods and formulation are sometimes altered through the development of drug candidates from clinical trials to approval, and further to commercialization, in an effort to optimize manufacturing processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause the products to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay the commercialization of products and require bridging studies or the repetition of one or more clinical trials, which may result in increases in clinical trial costs, delays in product approvals and jeopardize our ability to commence product sales and generate revenue.

We may also encounter problems with achieving adequate or clinical-grade products that meet the standards or specifications of the NMPA, the FDA, or other comparable regulatory agencies, and maintaining consistent and acceptable production costs. We may experience shortages of qualified personnel, raw materials or key contractors, and experience unexpected damage to our facilities or the equipment. In these cases, we may be required to delay or suspend our manufacturing activities. We may be unable to secure temporary, alternative manufacturers for our products with the terms, quality and costs acceptable to us, or at all. Such an event could delay our clinical trials and/or the availability of our products for sale.

If we are unable to meet the increasing demand for our products by ensuring that we or the third-party manufactures have adequate manufacturing capacity, or if we are unable to successfully manage our anticipated growth or to precisely anticipate market demand, our business and financial condition would be materially and adversely affected.

To produce our injectable ecnoglutide (XW003) or other drug candidates in the quantities that we believe will be sufficient to meet their anticipated market demand, we will need to either construct our in-house manufacturing facilities or substantially enhance our collaboration with third-party suppliers. If the process of building our in-house manufacturing facilities is delayed or we cannot find qualified third-party suppliers, we may not be able to produce our products in a sufficient quantity to meet future demand.

We are implementing a phased strategy for the commercial manufacturing of our injectable ecnoglutide (XW003). In the near term, we will collaborate with our CDMOs to achieve initial commercial-scale manufacturing and supply of the products. We may face additional manufacturing risks in relation to such third-party manufacturers. We cannot assure you that the third-party manufacturers engaged by us will be able to produce the quantity and quality required to meet our clinical and commercial needs. See "Business — Chemistry, Manufacturing & Controls ("**CMC**")" for more details.

In the long run, we may establish our own manufacturing facilities by constructing our in-house commercial production capacity for our commercialized products. The construction of our own manufacturing facilities is capital intensive and requires significant upfront investment, and there can be no assurance that we will be able to timely obtain such financing, if at all. Furthermore, after finishing the construction of our own manufacturing facilities, we may not be able to fully utilize our new manufacturing facilities immediately or within a reasonable period of time after we commence the operation of such facilities. During the construction and ramp-up period, there may be significant changes in the pharmaceutical industry, including, among others, market demand, product and supply pricing, and customer preferences. Any adverse trends in these respects could result in operational inefficiency and excess capacity in our manufacturing facilities.

Our operations are dependent on the supply of certain raw materials. If we cannot obtain an adequate supply of raw materials, our ability to conduct our business could be materially impaired and our operations, revenue and profitability could be adversely affected.

During the Track Record Period, our business operations require certain raw materials as well as equipment and other materials needed for research and development purposes. Since we relied on third parties to supply these materials, we are therefore exposed to various supply chain risks. Following the commercialization of our injectable ecnoglutide (XW003), we expect to continue to rely on third parties to supply such materials and equipment for the research and development and contracted manufacturing of our products. see "Business — Our Suppliers" for more details.

Firstly, we require a stable supply of materials for our drug candidates in the course of our research and development activities, and such needs will increase significantly as we enter commercial production of our injectable ecnoglutide (XW003), following its receipt of marketing approval, but there is no assurance that current suppliers have the capacity to meet our demand. Any delay in receiving such materials in the quantity and quality that we need could delay the completion of our clinical studies, regulatory approval of our drug candidates or our ability to timely meet market demand for our commercialized products, as applicable.

Secondly, we are also exposed to the risk of increased costs, which we may not be able to pass on to customers and, as a result, lower our profitability. In the event of significant price increases for such raw materials, we cannot assure you that we will be able to raise the prices of our future products sufficiently to cover the increased costs.

Thirdly, our suppliers may also fail to maintain adequate quality of the services, materials and equipment we need. We cannot assure you that we will be able to identify all of the quality issues. Suboptimal or even deficient supplies of services, materials and equipment may hinder the research and development of our drug candidates and the commercial-scale manufacturing of our approved drugs, subject us to product liability claims or otherwise have a material adverse effect on our operations.

Fourthly, we cannot assure you that these third parties will be able to maintain and renew all licenses, permits and approvals necessary for their operations or comply with all applicable laws and regulations. Their failure to do so may lead to interruption in their business operations, which in turn may result in a shortage of the materials and equipment supplied to us, and cause delays in clinical trials and regulatory filings, or recall of our products.

If any of the aforementioned circumstances occur and our supplies are interrupted, we may not be able to find alternative raw material supplies in a timely and commercially reasonable manner, or at all, and it would materially harm our business.

RISKS RELATING TO OUR FINANCIAL PROSPECTS

We have incurred net losses since inception. We may continue to incur net losses and may fail to achieve or maintain profitability in the next few years.

[**REDACTED**] in pharmaceutical 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 2024 and 2025, our research and development expenses amounted to RMB284.0 million and RMB158.8 million, respectively. In addition, we also incurred other expenses related to our operations including administrative expenses. As a result, we recorded net losses in each year comprising the Track Record Period.

We expect to continue to incur significant expenses and operating losses for the foreseeable future as we carry out certain activities relating to our development, including, but not limited to, the following: (i) continue to advance the clinical trials and preclinical studies of our drug candidates; (ii) seek regulatory approvals for our drug candidates to complete clinical development and commence commercialization; (iii) commercialize any of our drug candidates for which we may obtain marketing approval; (iv) seek to identify additional drug candidates; (v) address any competing technological and marketing developments, including new products developed by competitors; maintain, protect and expand our intellectual property portfolio; and (vi) create additional infrastructure to support our operations as a [**REDACTED**] company and our product development and future commercialization efforts.

We cannot guarantee that we will be able to obtain regulatory approvals for any of our drug candidates in a timely manner, or at all. Substantial investments may be incurred before we generate any revenue from product sales. Considering the numerous risks and uncertainties associated with regulatory approvals, we are unable to accurately predict the timing or amount of additional expenses, or when, or if, we will be able to achieve or maintain profitability. Our expenses could increase beyond expectations if we are required by the NMPA, FDA or other applicable authorities to perform studies in addition to those that we currently anticipate. Even if our drug candidates are approved, we expect to continue incurring significant costs associated with the manufacturing and the launch of the drug candidates.

Our ability to generate revenue from sales of products and become profitable depends significantly on our success in a number of factors that affect the sales volume, pricing levels and profit margins of our drug candidates, such as regulatory approvals and competition in the market environment.

We anticipate generating revenue from product sales following the receipt of regulatory approval for the commercialization of our injectable ecnoglutide (XW003) and other drug candidates. Our ability to generate revenue and achieve profitability depends significantly on our success in many factors, including but not limited to: (i) obtaining regulatory approvals or drug candidates; (ii) commercializing our injectable ecnoglutide (XW003) and other drug candidates; (iii) completing research regarding, and non-clinical and clinical development of, our drug candidates; (iv) developing a sustainable and scalable manufacturing process for our injectable ecnoglutide (XW003) and other drug candidates; (v) addressing any competing technological and market developments; (vi) identifying, assessing, acquiring and/or developing new drug candidates and technologies; (vii) negotiating favorable terms in any collaboration, licensing, or other arrangements into which we may enter; (viii) maintaining, protecting, expanding and enforcing our portfolio of intellectual property rights; and (ix) attracting, hiring, and retaining qualified personnel.

As of the Latest Practicable Date, the NMPA has approved injectable ecnoglutide (XW003) for the treatments of T2DM and overweight/obesity in Chinese Mainland. We cannot guarantee that we will always be able to obtain regulatory approvals for other indications and any other of our drug candidates in a timely manner. Although our injectable ecnoglutide (XW003) has obtained the regulatory approvals for commercialization, we still expect to continue incurring significant costs associated with the manufacturing and the commercialization of such a product. Moreover, our expenses could increase beyond expectations if we are required by the NMPA, the FDA or other applicable authorities to perform studies in addition to those that we currently anticipate.

After the commercialization of our injectable ecnoglutide (XW003), our revenue may be further influenced by factors that affect the sales volume, pricing level or profitability of our injectable ecnoglutide (XW003). Factors that could adversely affect the sales volumes, pricing levels and profitability of our injectable ecnoglutide (XW003) include: (i) the impact of government pricing regulations; (ii) sales of substitute products by competitors; interruptions in the supply of raw materials; increases in the cost of raw materials; (iii) issues with product quality or side effects; intellectual property infringements; adverse changes in our sales and distribution network; and (iv) unfavorable policy, regulatory or enforcement changes.

Many of these factors are outside of our control, and any factor adversely affecting the commercialization of our products could adversely affect our operations, revenue and profitability.

We had net operating cash outflows and net liabilities during the Track Record Period. We may need to obtain substantial additional financing to fund our operations and expansion with the potential effect of diluting our shareholders' interest and restricting our operations, and we may be unable to complete the development and commercialization of our drug candidates.

Since our inception, our operations have consumed substantial amounts of cash. We had net cash used in operating activities of RMB185.6 million in 2025, and net cash generated from operating activities of RMB99.3 million in 2024. As of December 31, 2025, we recorded net liabilities of RMB2,213.2 million. We expect that we may experience net cash outflows from our operating activities for the foreseeable future.

We may need to obtain substantial additional funding in connection with our continuing operations through public or private equity offerings, debt financing, collaborations or other sources. 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.

Further, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe that we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our H Shares.

The incurrence of additional indebtedness or the issuance of certain equity securities could also result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property

rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the [**REDACTED**] of our H Shares to decline.

Our results of operations, financial condition and prospects may be adversely affected by fair value changes in our financial assets at fair value through profit or loss.

During the Track Record Period, we invested in financial products which represent wealth management products and negotiable certificate of deposits with banks. Pursuant to the Guidance on Regulating Financial Institution's Asset Management Business (《關於規範金融機構資產管理業務的指導意見》) promulgated by the People's Bank of China, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission and the State Administration of Foreign Exchange on April 27, 2018, financial institutions selling wealth management products cannot guarantee the returns of principal and interest of such products. As a result, the returns of our investments in wealth management products were not guaranteed, and therefore were measured at fair value through profit or loss. Net changes in the fair value of our investments are recorded as our other income or losses, and therefore directly affect our results of operations. We may continue to invest in wealth management products in the future when we believe that we have surplus cash on-hand and the potential investment returns are stable and attractive. However, we cannot guarantee that we will not experience losses with respect to such investments in the future or that such losses or other potentially negative consequences due to such investments will not have material adverse effects on our results of operations. Furthermore, the respective fair value is determined by applying certain valuation techniques. Key valuation assumptions used to determine the fair value of the financial assets are subject to various uncertainties. Any change in the assumptions may lead to different valuation results and, in turn, changes in the fair value of these financial assets at FVPL.

We have granted, and may continue to grant, remuneration in the form of share-based payments, which may result in increased share-based payments and potential dilution of shareholding.

We operate Pre-[**REDACTED**] Equity Incentive Plans. In 2024 and 2025, we incurred share-based payments of RMB6.5 million and RMB0.3 million, respectively. To further incentivize our employees (including directors) and non-employees to contribute to us, we may grant additional remuneration in the form of share-based payments in the future. Issuance of additional shares with respect to such share-based payment may dilute the shareholding percentage of your ownership interest. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a material and adverse effect on our financial performance.

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

During the Track Record Period, we recognized RMB16.4 million and RMB5.1 million of government grants in other income and gains in 2024 and 2025, respectively. The timing, amount and criteria of government financial incentives are determined at the sole discretion of the local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. We do not have the ability to influence local governments in making these decisions. Local governments may decide to reduce or eliminate incentives at any time. In addition, some of the government financial incentives are granted on a project by project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions. If we fail to satisfy any such condition, we may be deprived of the relevant incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives may have an adverse effect on our financial condition and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We could be unsuccessful in obtaining or maintaining adequate patent protection for one or more of our drug candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

Our commercial success will depend, in large part, on our ability to obtain and maintain patent and other intellectual property protection with respect to our drug candidates. We cannot be certain that patents will be issued or granted with respect to our patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect our drug candidates, or otherwise provide us with any competitive advantage.

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. In addition, the patent position of biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been a common subject of litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

We enjoy a limited level of geographical protection with respect to our intellectual property rights and may not be able to protect our intellectual property rights throughout the world or prevent unfair competition by third parties.

We are currently protecting our intellectual property rights in certain jurisdictions, primarily China and the U.S. See "Business — Intellectual Property" for more details. Filing and prosecuting patent applications and defending patents covering our drug candidates in all jurisdictions across the world could be prohibitively expensive. Competitors may use our technologies in jurisdictions in which we have not obtained patent protection to develop their own drug candidates and may export otherwise infringing drug candidates to jurisdictions where we have patent protection, but enforcement rights are not as strong as those in certain markets, given that the levels of law enforcement vary across jurisdictions. These drug candidates may compete with our drug candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant difficulties in registering, protecting and defending such rights in some jurisdictions. Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, and our patent applications at risk of not issuing as patents, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful.

Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. Furthermore, there can be no assurance that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may expect to market our drug candidates. If we encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished, and we may face additional competition from others in those jurisdictions.

The life of patent protection is limited, and third parties could be able to circumvent our patents by developing similar or alternative products and technologies in a non-infringing manner, or develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially adversely affected.

The life of a patent and the protection it affords is limited. For example, in China, if all maintenance fees are timely paid, the invention patents, design patents and utility model patents are valid for 20 years, 15 years and 10 years from its filing date, respectively, with potential patent term extension or adjustment for invention patents under the current Patent Law of the PRC. Manufacturers of generic or biosimilar products 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 materially adversely affect any potential sales of that product.

Patent terms may not be adequate to protect our competitive position on our drug candidates in the absence of patent linkage, patent term extensions and other exclusivities. 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 patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Even if we believe that we are eligible for certain patent term extensions, there can be no assurance that the applicable authorities will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we request. The pending patent applications for our drug candidates, if issued, are expected to expire on various dates. See "Business — Intellectual Property" for more details. Upon the expiration of our patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors, which would materially adversely affect our business, financial condition, results of operations and prospects.

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

We currently hold issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

Our trademarks or trade 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 and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade 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 business, financial condition, results of operations and prospects.

Changes in intellectual property related laws, regulations and policies in one of jurisdictions we operate in could impair our ability to protect our drug candidates, therefore, diminishing the value of our business in general.

The laws and regulations governing patents could be revised from time to time that would diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. Our intellectual property rights including existing patent rights and future patent applications may face certain potential challenges. For instance, the U.S. has enacted wide-ranging patent reform legislation. The United States Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. Therefore, we cannot predict whether the intellectual property rights we are currently pursuing and may pursue in the future will be protected in any particular jurisdiction.

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

We rely on our trade secrets and confidential information, including unpatented know-how, technology and other proprietary 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 non-disclosure and confidentiality agreements with parties that have access to trade secrets or confidential information, such as our employees, corporate collaboration partners, outside scientific collaboration partners, sponsored researchers, contract manufacturers, consultants, advisers 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 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 third parties could use our trade secrets to compete with our products and technology. Additionally, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. 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 adversely affected.

We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, or claims asserting ownership of what we regard as our own intellectual property.

Our employees, consultants and advisers may currently be, or were previously employed at other pharmaceutical companies or research institutions, including our competitors or potential competitors. Some of these employees, consultants, and advisers may have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. We may be subject to claims that we, our employees, consultants and advisers, have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our employees and management.

Further, we may be unsuccessful in executing the agreements assigning intellectual property to us with our employees, consultants and contractors who in fact develop intellectual property that we regard as our own. Furthermore, even when we obtain agreements assigning intellectual property to us, the assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements with us may have pre-existing or competing obligations to a third party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending any of the foregoing claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

In addition, we may in the future be subject to claims by former employees, consultants or other third parties asserting an ownership right in our owned or licensed patents or patent applications. An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar drug candidates or technology, without payment to us, or could limit the duration of the patent protection covering our drug candidates and technology. Such challenges may also result in our inability to develop, manufacture or commercialize our drug candidates without infringing third-party patent rights. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

We may not be able to prevent unfair competition by third parties.

We focus on protecting our intellectual property rights in our target markets, primarily China and the U.S., this is because filing, prosecuting, maintaining and defending patents on drug candidates in all other markets throughout the world could be prohibitively expensive for us. Our intellectual property rights in other jurisdictions, if obtained, can have a different scope and strength compared to those in our target markets. In addition, the laws of certain jurisdictions do not protect intellectual property rights to the same extent as the laws of our target markets. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in markets such as the U.S. Consequently, we may not be able to prevent third parties from using our inventions in all jurisdictions outside our target markets, or from selling or importing products made using our inventions into our target markets or other jurisdictions. These products may compete with our drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

We may face intellectual property disputes with our business partners or other third parties.

From time to time, we may license out certain patent rights to third parties and accept transfer of patent rights and know-how from third parties. Therefore, we may be subject to claims that former employees, collaborators, contractors or other third parties have an interest in our patents or other intellectual property, for example as an inventor or co-inventor. We cannot assure you that we will not have any disputes arising out of such kinds. When enforcing our rights in our patents or other intellectual property, we may be subject to counterclaims that we do not own or possess clean title to one or more patents or patent applications that cover development and manufacture of one or more of our drug candidates. If we are unsuccessful in any interference proceedings or other priority or validity disputes (including any patent oppositions) to which we or they are subject, we may lose valuable intellectual property rights through the loss of one or more patents, or our patent claims may be narrowed, invalidated, or held unenforceable. In addition, if we are unsuccessful in any inventorship or ownership disputes to which we or they are subject, we may lose valuable intellectual property rights, such as exclusive ownership of, or the exclusive right to use, our patents.

We may from time to time be involved in lawsuits to protect or enforce our patents and other intellectual property, which could be expensive, time-consuming and unsuccessful and may delay us from developing or commercializing our drug candidates. Our patent rights relating to our drug candidates could be found invalid or unenforceable if being challenged.

Litigation relating to patents and other intellectual property rights is common in the pharmaceutical industries and is inherently uncertain. Even if successful, litigation may result in substantial costs and reputational harm, and distraction of our management and other employees. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be inevitably compromised by disclosure during discovery.

Competitors may infringe our patents. 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, the defendant may be able to counterclaim that our patent is invalid and/or unenforceable, and a court may uphold such claims, or otherwise refuse to stop the opposing party from using the technology at issue, on the potential grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent application at risk of not being issued.

On the other hand, if a third party were to assert claims of patent infringement, misappropriation of trade secrets, or violation of other intellectual property rights against us, even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third-party patents and rights are valid, enforceable and infringed, and the holders of any such patents and rights may be able to block our ability to commercialize the applicable product unless we obtained a license from them, or until such patents or rights expire or are finally determined to be invalid or unenforceable. Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property rights could also be costly and time-consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs.

During the course of any intellectual property litigation, there could be public announcements of the results of hearings, rulings on motions, and other interim proceedings in the litigation. If securities analysts or investors perceive these announcements as negative, the perceived value of our drug candidates, future products, programs or intellectual property could be diminished. Accordingly, the [**REDACTED**] of our H Shares may decline. Such announcements could also harm our reputation or the commercialization of our drug candidates, which could have a material adverse effect on our business. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to conduct our clinical trials and continue our in-house research programs.

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.

RISKS RELATING TO OUR OPERATIONS

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

As we seek to advance our drug candidates through clinical trials and eventually achieve commercialization, we will need to expand our development, regulatory, manufacturing, sales and marketing capabilities or contract with third parties to provide these capabilities for us. In addition, we may need to manage additional relationships with various strategic partners, suppliers and other third parties. Future growth will impose significant additional responsibilities on our management. Our future financial performance and our ability to commercialize our drug candidates and to compete effectively will depend, in part, on our ability to manage any future growth effectively. We cannot assure you that we will be able to successfully develop and commercialize our drug candidates and build suitable manufacturing, sales, marketing and managerial teams to meet our growth targets. Our failure to accomplish any of these tasks could prevent us from successfully growing our company.

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 commercialization of our drug candidates, subject to limited immunity that we may seek in connection with some of our drug 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, insufficient or improper labelling of products, insufficient or misleading disclosures of side effects or dangers inherent in the 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. Regardless of the merits or eventual outcome, liability claims may result in: (i) decreased demand for our drug candidates or any resulting products; (ii) damage to our reputation; (iii) withdrawal of clinical trial participants; (iv) costs to defend the related litigation; (v) a diversion of management's time and our resources; (vi) substantial monetary awards to trial participants or patients; product recalls, withdrawals or labeling, marketing or promotional restrictions; (vii) loss of revenue; (viii) the inability to commercialize our drug candidates; and (ix) a decline in our H Share [**REDACTED**].

We are subject to the risks of operating in multiple jurisdictions.

As we operate or intend to operate in multiple regions, including PRC, U.S. and other intended regions, our business is subject to risks due to a variety of factors, including but not limited: (i) changes in a specific country's or region's political and cultural climate, economic condition or geopolitical tensions; (ii) changes in laws and regulatory requirements in local jurisdictions; (iii) the occurrence of economic stagnation or downturn in certain jurisdictions; (iv) the burden of complying with a variety of foreign laws; (v) inadequate intellectual property protection in certain jurisdictions; (vi) enforcement of anti-corruption and anti-bribery laws; (vii) trade protection measures, import or export licensing requirements and fines, penalties or suspension or revocation of export privileges; (viii) delays resulting from difficulty in obtaining export licenses, tariffs, potentially longer payment cycles and greater difficulty in accounts receivable collection; (ix) the effects of applicable local tax regimes and potentially adverse tax consequences; or (x) significant adverse changes in local currency exchange rates.

We may sell our products to certain foreign countries in the future. Our business is therefore subject to constantly changing international economic, regulatory, social and

political conditions, and local conditions in foreign countries. Furthermore, there can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the political relationships. In addition, we are subject to general geopolitical risks in foreign countries where we operate. The occurrence of any one or more of these risks of doing business internationally, individually or in the aggregate, could materially and adversely affect our business and results of operations.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could be expensive, time-consuming and unsuccessful, thereby may have a material adverse effect on our business, financial condition and results of operations.

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, among others, product liability, environmental matters, breach of contract, employment or labor disputes and infringement of 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 our counterparties, such as our suppliers, CROs 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.

Unfavorable outcomes in claims, disputes, litigation, arbitration or other legal proceedings could limit our research and development activities and/or our ability to commercialize our drug candidates.

If third parties successfully assert their legal rights against us in relation to our technologies or other commercial rights, we might be barred from enjoying certain rights, such as using certain aspects of our technology, or barred from developing and commercializing our drug candidates. Prohibitions against enjoying certain rights could be imposed by a court or by a settlement agreement between us and a plaintiff. In addition, disputes may arise with third parties regarding the scope of rights associated with technologies we have internally developed, acquired, or otherwise obtained, which could result in claims against us or financial liabilities. If we are unsuccessful in defending against allegations that we have infringed, misappropriated or otherwise violated commercial rights of others, we may be forced to pay substantial damage awards to the plaintiff. There is inevitable uncertainty in any litigation. There can be no assurance that we would prevail in any litigation, even if the case against us is weak or flawed.

Our future success depends on our ability to retain key executives and to attract, hire, retain and motivate other qualified and highly skilled personnel.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We are highly dependent upon our senior management, as well as other key clinical and scientific personnel, and other key employees. Competition for qualified employees in the pharmaceutical industry is intense and the pool of qualified candidates is limited. In recent years, the average staff costs in the global pharmaceutical market, particularly for highly skilled and experienced personnel, has been rising steadily. We cannot assure you that there will be no significant increase in our staff costs, especially as we continue to expand our business and operations. Despite an increase in staff costs, we may still not be able to retain the services of experienced senior management or key clinical and scientific personnel in the future. The departure of one or more of our senior management or key clinical and scientific personnel, whether or not they join a competitor or form a competing company, may subject us to risks relating to finding replacements in a

timely manner or at all, which may disrupt our product development progress and have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

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 will be held liable for damage caused thereby. We routinely receive, collect, generate, store, process, transmit and maintain medical data treatment records and other personal details of the subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant local, state, national and international 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 the jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations.

The PRC authorities promulgated a series of laws and regulations governing the various aspects of cybersecurity and data security, personal information and privacy protection, including, among others, the Cybersecurity Law of the PRC, the Data Security Law of the PRC and the Personal Information Protection Law of the PRC. Under the Personal Information Protection Law of the PRC, in case of any personal information handling, such individual prior consent shall be obtained, unless otherwise specified. Further, personal information handling activities that are in relation to the sensitive personal information including but not limited to biometrics, medical health and personal information of teenagers under fourteen years old can only be conducted where such activities have a specific purpose, are highly necessary and strictly protective measures have been taken. In addition, an assessment is required for data handlers' provision of important data and personal information collected and generated in their operations within the territory of the PRC to overseas recipients. The Measures on the Standard Contract for the Cross-Border Transfer of Personal Information (the "**SCC Measures**") were promulgated by the CAC on February 22, 2023 and took effect on June 1, 2023. The SCC Measures attach the prescribed template for the standard contract on the cross-border transfer of personal information that could be used as an available option to satisfy the condition for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law. If we fail to remain compliant with any of the above rules or regulations, our business performance and operations may be materially and adversely affected.

In addition, certain industry-specific laws and regulations affect the collection and transfer of data in China. The Regulations on the Administration of Human Genetic Resources of the PRC or the HGR Regulation, was promulgated by the State Council in May 2019 and further amended in March 2024. It stipulates that foreign organizations, individuals, and the entities established or actually controlled by foreign organizations or individuals are forbidden to collect, preserve and export China's human genetic resources. Foreign organizations and the entities established or actually controlled by foreign organizations or individuals may only utilize and be provided with China's human genetic resources after satisfaction of all regulatory requirements. In October 2020, the SCNPC promulgated the Biosecurity Law of the PRC, which became effective in April 2021 and later amended in April 2024. The Biosecurity Law of the PRC reaffirms the regulatory requirements stipulated by the HGR Regulation while potentially increasing the administrative sanctions where China's human genetic resources are collected, preserved, exported or used in international

collaboration in violation of applicable laws. The interpretation and implementation of the HGR Regulation and the related laws and regulations may vary from time to time. Given such circumstance, although we have made great efforts to comply with mandatory requirements of laws and government authorities in this regard, we cannot assure you that we will be deemed at all times in full compliance with the HGR Regulation, the Biosecurity Law of the PRC and other applicable laws in our utilizing of and dealing with China's human genetic resources.

Numerous U.S. federal and state laws and regulations relate to the privacy and security of personal information. In particular, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996, or HIPAA, establish privacy and security standards that limit the use and disclosure of individually identifiable health information, known as "protected health information," and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Determining whether protected health information has been handled in compliance with applicable privacy standards and our contractual obligations may require complex factual and statistical analyses and may be subject to changing interpretation. Although we take measures to protect sensitive data from unauthorized access, use or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance or other malicious or inadvertent disruptions. Any such breach or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, manipulated, publicly disclosed, lost or stolen. Any such access, breach or other loss of information could result in legal claims or proceedings, and liability under federal or state laws that protect the privacy of personal information, such as the HIPAA, the Health Information Technology for Economic and Clinical Health Act, and regulatory penalties. Notice of breaches must be made to affected individuals, the Secretary of the Department of Health and Human Services, and for extensive breaches, notice may need to be made to the media or State Attorneys General. Such a notice could harm our reputation and our ability to compete.

Complying with all applicable laws, regulations, standards and obligations relating to data privacy, security, and transfers may cause us to incur substantial operational costs or require us to modify our data processing practices and processes. Non-compliance could result in investigation, enforcement action and proceedings against us by data protection authorities, governmental entities or others, including class action privacy litigation in certain jurisdictions, which would subject us to significant fines, penalties, judgments and negative publicity. In addition, if our practices are not consistent or viewed as not consistent with legal and regulatory requirements, including changes in laws, regulations and standards or new interpretations or applications of existing laws, regulations and standards, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and reputational damage. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

In addition, our clinical trials also frequently involve professionals from third-party institutions working on-site with our staff and enrolled subjects. We cannot ensure that such persons will always comply with our data privacy measures. We also collaborate with third parties including principal investigators, hospitals, CROs, CDMOs, and other 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 our fault, negligence or a result of our failure.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the "**Scientific Data Measures**"). According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Given the term state secret is not clearly defined, if and to the extent our research and development of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant government authorities, we cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad or to our foreign partners in China. If we are unable to obtain necessary approvals in a timely manner, or at all, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, financial condition, results of operations and prospects. If the relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities. In addition, according to the Administration of Human Genetic Resources (《人類遺傳資源管理條例》) promulgated in May 2019 and the PRC Biosecurity Law (《中華人民共和國生物安全法》) promulgated in October 2020, if any scientific data falls within the scope of Chinese human genetic resources, any transfer of such data outside of China will be subject to the prior approval of the PRC Ministry of Science and Technology. There can be no assurance that we will be able to obtain such approval in a timely manner, or at all.

Our future investments, acquisitions or strategic partnerships may have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

From time to time, we may evaluate various investments, acquisitions, joint ventures and strategic partnerships, including licensing or acquiring products, intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including: (i) increased operating expenses and cash requirements; (ii) the assumption of additional indebtedness or contingent or unforeseen liabilities; (iii) the issuance of our equity securities; (iv) assimilation of operations, intellectual property and products of an acquired company; (v) the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition; (vi) the loss of key employees and personnel, and uncertainties in our ability to maintain key business relationships; (vii) risks and uncertainties associated with the other party to such a transaction; and (viii) our inability to generate revenue from acquired technology or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

We may not be able to identify attractive targets, and we have limited experience in acquisitions. In addition, we may not be able to successfully acquire the targets identified despite spending a significant amount of time and resources on pursuing such acquisition. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The geographic distance between companies, the complexity of the technologies and operations being integrated, and the disparate corporate cultures being combined may increase the difficulties of integrating an acquired company or technology. It is also common in our industry for competitors to attract customers and recruit key employees away from companies during the integration phase of an acquisition. 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. For investments over which we do not obtain management and operational control, we may lack influence over the controlling partner or shareholder, which may prevent us from achieving our strategic goals in such investments. Any of the foregoing negative developments described could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

We and our third-party collaboration partners may be subject, directly or indirectly, to applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in PRC and other jurisdictions, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, including physicians and others, play a primary role in the recommendation and prescription of products for which we may seek regulatory approvals. If we obtain approval from the NMPA, FDA or other regulatory authorities for any of our drug candidates and if we then begin to commercialize those products in the PRC or in the U.S., our operations may be subject to fraud and abuse laws in the PRC, U.S. and other countries, including the federal Anti-Kickback Statute and the False Claims Act, as well as physician payment transparency laws and regulations, including the Federal Physician Payment Act. Our current and future operations also may be subject to regulation by U.S. federal, state and local authorities including, among others, the Centers for Medicare and Medicaid Services and other divisions within the U.S. Department of Health and Human Services such as the Office of the Inspector General and the Office for Civil Rights. We may also be subject to state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government. There are ambiguities as to what is required to comply with any of these requirements, and if we fail to comply with any such requirements, we could be subject to applicable penalties.

Efforts to ensure that our business arrangements with third parties are in compliance with applicable healthcare laws and regulations will involve substantial costs. Regulatory authorities could conclude that our business practices are not comply with current 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, financial condition, results of operations and prospects.

If any of the physicians or other providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs, which may also adversely affect our business.

Our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations. We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees or other third parties.

We are subject to anti-bribery laws in China that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing other improper advantages. In addition, although currently our

primary business operations are in China, our future expansion of footprint beyond China may subject us to laws such as the Foreign Corrupt Practices Act of the U.S., which generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Although we have policies and procedures designed to ensure that we, our employees, agents and intermediaries comply with anti-bribery laws, there is no assurance that such policies or procedures will always effectively prevent our employees, agents and intermediaries from engaging in bribery activities. Failure to comply with anti-bribery laws could disrupt our business and lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, loss of our export licenses, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs. Other remedial measures could include further changes or enhancements to our procedures, policies, and controls and potential personnel changes and/or disciplinary actions, any of which could significantly affect our business, financial condition, results of operations and prospects. We could also be adversely affected by any allegation that we violated such laws.

We may fail to comply with applicable laws, regulations or industry standards to obtain various licenses and permits, which could harm our reputation, business, financial condition, results of operations and prospects.

A number of governmental agencies or industry regulatory bodies in the PRC and other applicable jurisdictions impose strict rules, regulations and industry standards governing pharmaceutical research and development activities, which apply to us. Our or our business partners' failure to comply with such regulations could result in the termination of ongoing research, administrative penalties imposed by regulatory bodies or the disqualification of data for submission to regulatory authorities. This could harm our reputation, business, financial condition, results of operations and prospects.

Pursuant to relevant laws and regulations, we are required to obtain, maintain and renew various approvals, licenses, permits and certificates from relevant authorities to operate our business. Any failure to obtain or renew any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions including orders issued by the relevant regulatory authorities to take remedial actions, suspend our operations or impose fines and penalties which could materially and adversely affect our business, financial condition, results of operations and prospects. If the interpretation or implementation of laws and regulations is adjusted in the future or new regulations come into effect, or the criteria used in reviewing applications for, or renewals of permits, licenses and certificates change to adapt to new developments, we may be required to obtain any additional approvals, permits, licenses or certificates and we cannot assure you that we will be able to do so. Our failure to obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, increase our costs, and in turn, adversely affect results of operations and prospects. Any government investigation of alleged violations of laws could require us to expend significant time and resources in response and generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our Company and our results of operations will be adversely affected.

Changes in international trade policies and rising geopolitical tensions may cause disruptions to our clinical development, product manufacturing processes and other aspects of our business and operation.

The U.S. government has made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies towards China. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to

international trade agreements, the imposition of tariffs on goods imported into the U.S., tax policy related to international commerce, or other trade matters. For example, recently, the United States has proposed to impose multiple rounds of tariffs on a wide range of goods imported from multiple countries, including China. The decisions made by the U.S. government led to significant market volatility and economic uncertainty. It is unknown whether new tariffs will be imposed by the U.S. or other governments, or whether new laws and regulations will be enacted, or the effect that any such actions would have on us or our industry. For example, on September 25, 2025, U.S. President Donald J. Trump announced that there would be a 100% tariff imposed on imports of branded or patented pharmaceutical products, unless a pharmaceutical company is building a manufacturing plant in the U.S., effective from October 1, 2025 (the "**Pharmaceutical Tariff**"). However, such scheduled tariff has been put on hold subject to further negotiations among the U.S. government and major pharmaceutical companies. While we currently have no commercialized products in overseas regions, any rising trade and political tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our products.

Moreover, rising trade and political tensions, heightened government scrutiny or unfavorable government policies may also affect our existing and future relationships with shareholders and business partners, the provision of research and development and other services, the supplies of materials and products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to product development, or prevent us from selling our products in certain countries. If any new tariffs, policies, legislation and/or regulations are announced or implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, on February 21, 2025, U.S. President Donald J. Trump issued the "America First Investment Policy" (the "**America First Memo**"), outlining review of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors including biotechnology, AI, semiconductors, quantum, advanced manufacturing, and directed energy. These restrictions may evolve to extend beyond direct investments to include partnerships, licensing agreements, and technology transfers, creating compliance burdens and operational uncertainties. The America First Memo also contemplates potential restrictions on publicly traded securities investments by pension funds, university endowments and other limited partner investors. These political tensions and policy changes would adversely affect global economic conditions, financial market stability, and international trade policies.

Our business significantly depends on our reputation, and any negative publicity on us or failure to maintain and enhance our recognition and reputation may materially and adversely affect our business, financial condition, results of operations and prospects.

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. 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, such as contract sales organizations, to expand our commercialization network and increase market access for our products, which can make it increasingly difficult to effectively manage our brand reputation.

Any negative publicity, including disputes concerning us, our business partners or our affiliates, even if untrue, could adversely affect our reputation and prospects. Moreover, if we are unable to maintain a good reputation, our ability to attract and retain key employees and business partners could be harmed which, in turn, may materially and adversely affect our business, financial condition, results of operations and prospects.

Our reputation is vulnerable to potential threats that can be difficult or impossible to control, and costly or impossible to remediate. Negative publicity about us, such as alleged misconduct or improper activities, or negative rumors relating to us, our management, employees, business partners or affiliates, can harm our business. Any regulatory inquiries or investigations or other actions against our management, any perceived unethical, fraudulent, or inappropriate business conduct by us or perceived wrongdoings by any key member of our management team or other employees, our business partners or our affiliates, could harm our reputation and materially and adversely affect our business. Regardless of the merits or final outcome of such regulatory inquiries, investigations or actions, our reputation may be substantially damaged, which may impede our ability to attract and retain talent and business partners and grow our business.

Moreover, any negative media publicity about the pharmaceutical industry in general, may also negatively impact our reputation. In the event that such negative publicity relates to our own products and business, the adverse impact on our financial condition or results of operations might be more significant. Investigations and increasingly stringent regulations arising from such negative publicity, if any, may draw time and attention from our management team, which would have otherwise been devoted into our business operations, or may incur additional compliance expenses.

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 operate in the pharmaceutical industry, which involves numerous operating risks and occupational hazards. As of the Latest Practicable Date, 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, see "Business — Insurance" for more details. According to Frost & Sullivan, our insurance policy is in line with the industry practice. Our insurance coverage may be insufficient to cover any claims that we may have. We cannot assure you that the existing insurance coverage is sufficient to compensate for actual losses suffered or incurred. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage, we may be required to pay substantial damages or compensation, and our business, results of operations and financial condition may be materially and adversely affected.

Our internal information technology systems, or those used by our business partners, may fail or suffer security breaches.

In the ordinary course of our business, we collect and store sensitive data, including, among other things, legally protected patient health information, personally identifiable information about our employees, intellectual property and proprietary business information. We manage and maintain our data utilizing on-site systems and outsourced vendors. Because information technology systems, networks and other technologies are critical to many of our operating activities, shutdowns or service disruptions at our facilities or vendors that provide information systems, networks or other services to us pose increasing risks. Despite the implementation of security measures, our internal information technology systems and those of our current and any future third-party vendors, collaboration partners, consultants, and third parties performing services for us, as well as our clinical sites and regulatory authorities, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, and telecommunication and electrical failures.

If any such material system failure, accident, or security breach were to occur and cause interruptions in our operations, it could result in a disruption of our drug candidate development and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. To the extent that any disruption or security breach were to result in the theft or destruction of intellectual property, data, or other misappropriation of assets, financial loss, or otherwise compromise our confidential or proprietary information and disrupt our operations, our competitive position could be adversely affected, and the further development and commercialization of our drug candidates could be delayed.

We could also be subject to regulatory actions or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate, disclosure of data, as well as unfair or deceptive practices. The development and maintenance of the systems, controls, and processes to prevent such events from occurring and/or identify and mitigate threats is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated.

Difficult conditions and turbulence in the global economic, political and financial environment may adversely affect our business, financial condition, results of operations and prospects.

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors including, extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. In the past, governments have taken actions in an attempt to address and rectify these market and economic conditions by providing liquidity and stability to the financial markets. If these actions are not successful, the return of adverse economic conditions may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms. In addition, concerns over the recent conflicts in the Middle East, Russian-Ukraine conflicts, and unrest and terrorist threats in other territories, among others, add uncertainties to the financial markets worldwide. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

We may be subject to disasters, health epidemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition and results of operations.

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 in which we conduct our business. Our operations may be under the threat of natural disasters, such as floods, earthquakes, storms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, SARS, Ebola, Zika and COVID-19, other factors beyond our control, such as power, water or fuel shortages, failures, malfunction and other unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks. 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 conditions and operating results.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

There might be uncertainties in effecting service of legal process and enforcing judgments against us and our management due to the lack of relevant international treaties regarding judicial service and judicial enforcement.

We are a company incorporated under the laws of the PRC, and a significant portion of our assets and the majority of our Directors and senior management are located in the PRC. As a result, it may be difficult for the investors to directly effect service of process within the United States or elsewhere outside the PRC upon us or most of our Directors and senior management in the PRC. Moreover, judgments rendered in jurisdictions with which the PRC does not have treaties that provide for the reciprocal recognition and enforcement of judicial rulings and awards may not be so recognized or enforced in the PRC.

However, with respect to Hong Kong, these concerns have been largely mitigated. On January 18, 2019, the Supreme People's Court and the government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the 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》) (the "**New Arrangement**"), effective January 29, 2024. The New Arrangement significantly enhances the mechanism for reciprocal recognition and enforcement of judgments in civil and commercial matters between Chinese Mainland and Hong Kong, eliminating the requirement for a written choice of court agreement. Consequently, judgments rendered by Hong Kong courts are now generally recognizable and enforceable in the PRC, even in the absence of a written jurisdiction agreement between the parties.

Fluctuations in exchange rates of the Renminbi could result in foreign currency exchange losses.

We are exposed to foreign currency risk. During the Track Record Period, certain of our cash and cash equivalents and time deposits are denominated in foreign currencies, including USD and AUD. The exchange rate of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by a series of factors.

The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

Required procedures on the remittance of Renminbi into and out of the PRC may affect our ability to pay dividends and other obligations, and affect the value of your [REDACTED].

Procedures on the remittance of Renminbi into and out of the PRC are required under the relevant PRC laws and regulations. A substantial majority of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares.

Under the relevant PRC laws and regulations, approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

Holders of our H Shares may be subject to PRC income tax obligations.

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

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the PRC Individual Income Tax Law (the "**IIT Law**") and its implementation guidelines. Pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. There is no assurance that this exemption will continue to apply. Pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges. However, there is no assurance that the PRC tax authorities will not levy income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the PRC Enterprise Income Tax Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10%. Non-PRC resident enterprises (or other non-PRC owners holding H shares through non-PRC enterprises) that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may materially and adversely affect the value of your [**REDACTED**] in our H Shares.

We may fail to comply with regulations governing our employee equity incentive plans in operating jurisdictions, which could subject us and the plan participants to fines or legal or administrative sanctions.

In 2012, the SAFE, promulgated the Circular on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知). Pursuant to these rules, PRC citizens and non-PRC citizens who reside in

China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year and have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon the completion of the [**REDACTED**]. Failure to complete SAFE registrations may subject them or us to fines or supervision measures. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees.

In addition, the State Taxation Administration of the PRC, has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiary has obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes for those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

We are subject to risks associated with our leased properties.

We have leased certain properties in China as our offices. Pursuant to the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. Although we have reached out to our lessors for their necessary support with regard to the filing of the lease agreements, as of the Latest Practicable Date, we and our lessors failed to register two lease agreements with relevant governmental authorities due to various reasons, including without limitation, the failure or unwillingness of the lessors to provide relevant documents. Although failure to register the lease agreements does not in itself invalidate the leases, we may not be able to defend these leases against bona fide third parties, which may negatively affect our ability to operate our business covered under those leases. In addition, we may be required by relevant PRC governmental authorities to register such lease agreements within a prescribed timeframe, and failure to do so may subject us to fines.

Moreover, if our leases expire, we may face difficulties renewing them, either on commercially acceptable terms or at all. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition. In addition, our landlords have used their properties as collateral for mortgages, which is beyond our control. We cannot assure you that this situation will never occur. And if such case happens, our use of the leased properties and daily operations may be adversely affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and the liquidity and [REDACTED] of our H Shares may be volatile.

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. There can be no guarantee that an active [**REDACTED**] market for our H Shares

will develop or be sustained after the completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our H Shares will be [**REDACTED**] following the completion of the [**REDACTED**]. The [**REDACTED**] of our H Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**]. We have applied to the [**REDACTED**] for [**REDACTED**] of, and permission to deal in, our [**REDACTED**]. A [**REDACTED**] on the [**REDACTED**], however, does not guarantee that an active and liquid [**REDACTED**] market 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] price and [REDACTED] volume of our H Shares may be volatile, which could result in substantial losses to you.

The [**REDACTED**] price and [**REDACTED**] volume of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the [**REDACTED**] of other companies with business operations located mainly in Chinese Mainland that have [**REDACTED**] their securities in Hong Kong may affect the volatility in the price of and [**REDACTED**] volumes for our H Shares. A number of Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. The share price of some of these companies have experienced significant volatility, including significant price declines after their initial [**REDACTED**]. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the [**REDACTED**] performance of our H Shares. Pursuant to the applicable PRC law, within one year following the [**REDACTED**], all existing Shareholders (including the Pre-[**REDACTED**] Investors) could not dispose of any of the Shares held by them. Due to such lock-up requirement, the liquidity and [**REDACTED**] volume of the H Shares in the short term following the [**REDACTED**] may be significantly affected. These factors may significantly affect the [**REDACTED**] and volatility of our H Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material and adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The [**REDACTED**] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**], the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future [**REDACTED**], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our [**REDACTED**] may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

There may be dilution because of the issuance of additional equity securities.

In spite of our current cash and cash equivalents and the net [**REDACTED**] from the [**REDACTED**], we may require additional funds due to changes in business conditions or other future developments relating to, inter alia, our existing operations or any future expansions. The amount and timing of such additional financing needs will vary depending on the timing investments in and/or acquisitions of new businesses from third-parties, and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing through selling additional equity or debt securities or obtaining a credit facility.

The sale of additional equity securities could result in additional dilution to our Shareholders. If additional funds are raised by way of issuance of new Shares or equity linked securities other than on a pro rata basis to existing Shareholders, the percentage of ownership of our existing Shareholders in us, the earnings per Share and the net asset value per Share may be reduced.

Because the [REDACTED] per H Share is higher than the net tangible book value per H Share, purchasers of our H Shares in the [REDACTED] will experience immediate dilution.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per H Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution, and our existing Shareholders will receive an increase in the net tangible assets per Share of their Shares. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

We could not assure you that we will declare and distribute any amount of dividends in the future.

Our ability to declare future dividends will depend on the availability of dividends, if any, received from us and our subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. In addition, distributable profits are recognized as our after-tax profit determined under PRC GAAP, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, our Company and our subsidiaries may not be able to pay a dividend in a given year if our Company or our subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under other accounting policies. See "Financial Information — Dividends" for details of our dividend policy. There can be no assurance that we will declare and distribute any amount of dividends in the future. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial conditions, and other factors as they may deem relevant, and subject to the approval at a Shareholders' meeting. We may not have sufficient or any profits to enable us to distribute dividends to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

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

Our Unlisted Shares may be converted into H Shares. Such conversion must comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the [**REDACTED**] of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of shares for entry on the H Share register. This could cause an increase in the supply of H Shares in the market, and future sales, or perceived sales, of the converted H Shares may adversely affect the [**REDACTED**] price of H Shares.

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

On April 30, 2018, the Stock Exchange adopted rules under Chapter 18A of the Listing Rules. Under these rules, without the prior consent of the Stock Exchange, we will not be able to effect any acquisition, disposal or other transaction or arrangement or a series of acquisitions, disposals or other transactions or arrangements, which would result in a fundamental change in our principal business activities as set forth in this document. As a result, we may be unable to take advantage of certain strategic transactions that we might otherwise choose to pursue in the absence of Chapter 18A. Were any of our competitors that are not listed on the Stock Exchange to take advantage of such opportunities in our place, we may be placed at a competitive disadvantage, which could have a material adverse effect on our business, financial condition and results of operations.

Certain statistics contained in this Document are derived from a third-party report and publicly available official sources.

This Document, particularly the section headed "Industry Overview," contains information and statistics relating to the pharmaceutical industry in China and internationally. Such information and statistics have been derived from various official governments. We believe that the sources of such information are appropriate and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. However, we cannot guarantee the quality or reliability of such information. The information and statistics from official governments have not been independently verified by us, the Joint Sponsors, any of our or their respective directors, officers or representatives or any other person involved in the [**REDACTED**] and no representation is given as to their accuracy. In any event, you should consider carefully the importance placed on such information or statistics.

Forward-looking statements contained in this Document are subject to risks and uncertainties.

This Document contains certain future plans and forward-looking statements about us that are made based on the information currently available to our management. The forward-looking information contained in this Document is subject to certain risk and uncertainties. Whether we implement those plans, or whether we can achieve the objectives described in this document, will depend on various factors including the market conditions, our business prospects, actions by our competitors and the global financial situations.

You should read the entire Document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

Subsequent to the date of this document but prior to the completion of the [**REDACTED**], there may be press and media coverage regarding us and the [**REDACTED**], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective [**REDACTED**] are cautioned to make their [**REDACTED**] decisions on the basis of the information contained in this document only and should not rely on any other information.

In preparation for the [**REDACTED**], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary listing on the Stock Exchange 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. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of, among others, the following conditions:

(a) pursuant to Rules 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, namely (i) Dr. Pan, our founder, chairman of the Board, executive Director, and general manager, and (ii) Mr. Ng Tung Ching Raphael (吳東澄, "**Mr. Ng**"), our joint company secretary (the "**Authorized Representatives**"), to be the principal communication channel at all times between the Stock Exchange and our Company. Each of our Authorized Representatives will be readily contactable by the Stock Exchange by telephone and/or email to promptly deal with enquiries from the Stock Exchange. Both Authorized Representatives are authorized to communicate on our behalf with the Stock Exchange;

(b) we will implement a policy to provide the contact details of each Director to each of the Authorized Representatives, to their alternate representative and to the Stock Exchange. This will ensure that each of the Authorized Representatives, the alternative representative and the Stock Exchange will have the means to contact all the Directors promptly as and when required, including means to communicate with the Directors when they are traveling;

(c) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;

(d) pursuant to Rules 3A.19 of the Listing Rules, we have retained the services of Rainbow Capital (HK) Limited as compliance adviser (the "**Compliance Adviser**") which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange; The contact details of the Compliance Adviser has been provided to the Stock Exchange and the Company will inform the Stock Exchange promptly in respect of any change in the Compliance Adviser;

(e) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame;

(f) we will appoint other professional advisers (including legal advisers in Hong Kong) after the [**REDACTED**] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and

(g) our Company has designated its securities department as the communication officer at our headquarters after the [**REDACTED**] who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company's professional advisers in Hong Kong to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for listing on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that 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).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/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 the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Tong Jinling (童金玲) ("**Ms. Tong**") and Mr. Ng as our joint company secretary. See "Directors and Senior Management — Joint Company Secretaries" for their biographical details.

Ms. Tong has extensive experience in capital markets affairs and board matters. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Ms. Tong who is the secretary of Board and has day-to-day knowledge of the Company's affairs. Ms. Tong has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Ms. Tong presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Ng who is a member of Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Ms. Tong for an initial period of three years from the [**REDACTED**] to enable Ms. Tong to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 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 3.28 and 8.17 of the Listing Rules such that Ms. Tong may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the [**REDACTED**], and is granted on the condition that Mr. Ng, as a joint company secretary of our Company, will work closely with Ms. Tong to jointly discharge the duties and responsibilities as company secretaries and assist Ms. Tong in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Ng will also assist Ms. Tong in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Ng is expected to work closely with Ms. Tong and will maintain regular contact with Ms. Tong, the Directors and the senior management of our Company. In addition, Ms. Tong will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Ms. Tong will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Mr. Ng ceases to provide assistance to Ms. Tong as a joint company secretary for the three-year period after the [**REDACTED**] or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Ms. Tong will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will demonstrate and seek the Stock Exchange's confirmation that Ms. Tong, having benefited from the assistance of Mr. Ng for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

According to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus shall include the matters specified in Part I of the Third Schedule thereto and the reports specified in Part II of the Third Schedule thereto.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in the prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of the prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in its prospectus a report prepared by our Company's auditor with respect to the profits and losses and assets and liabilities of our Company for each of the three financial years immediately preceding the issue of the prospectus.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from 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 is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the Accountant's report contained in the prospectus must include, among others, the results of the company in respect of each of the three financial years immediately preceding the issue of the prospectus or such shorter period as may be acceptable to the Stock Exchange.

According to Rule 18A.06 of the Listing Rules, an eligible biotech company shall comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in that rule shall instead reference to "two financial years" or "two years," as the case may be.

Accordingly, we have applied to the SFC for, and the SFC [has granted], a certificate of exemption from strict compliance with the requirements under section 342(1) of the

Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the conditions that the particulars of the exemption are set forth in this Document and this Document will be issued on or before [**REDACTED**], on the following grounds:

(a) we are a biopharmaceutical company in the near-commercialization stage, dedicated to addressing the unmet medical needs in the field of weight management, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(b) the Accountant's Report for each of the financial years ended December 31, 2024 and 2025 has been prepared and is set out in Appendix I to this Document in accordance with Rule 18A.06 of the Listing Rules;

(c) notwithstanding that the financial results set out in this Document are only for the years ended December 31, 2024 and 2025, 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;

(d) given that Chapter 18A of the Listing Rules provides that the minimum track record period for biotech companies in terms of financial disclosure is two years, strict compliance with the requirements of section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and 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; and

(e) our Directors are of the view that the Accountant's Report covering the years ended December 31, 2024 and 2025 included in this Document, together with other disclosure in this Document, have already provided the potential [**REDACTED**] with adequate and reasonably up-to-date information in the circumstances for the potential [**REDACTED**] to make an informed assessment of the business, assets and liabilities, financial position, trading position, management and prospects and to form a view on the track record of the Company. Therefore, the exemption would not prejudice the interest of the [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Pan Hai (潘海)	Room 4-1 Jianghe Mingcui Sijiqing Street Hangzhou Zhejiang Province PRC	Chinese
Dr. Wu Xinle (吳心樂)	195, Lane 1000 Jindu Road Minhang District Shanghai PRC	United States
Mr. Li Yao (李堯)	Room 1604, Building 3 Chailou Longyuan Shuangjie Town Beichen District Tianjin PRC	Chinese
Mr. Han Baolei (韓葆磊)	Room 3-14 No. 72, Suzhou Hutong Dongcheng District Beijing PRC	Chinese
Ms. Yang Liu (楊柳) . . .	Room 621 2nd Floor, Building 14 No. 2 Yard, Xinhai East Road Tongzhou District Beijing PRC	Chinese
Non-executive Director		
Mr. Qin Hao (秦浩) . . .	No. 25, Lane 560 Jinkui Road Pudong New Area Shanghai PRC	Chinese

Name	Address	Nationality
Independent non-executive Directors		
Dr. Wang Gang (王剛)	Building 7 No. 200 Dongtai Road Pudong New Area Shanghai PRC	United States
Mr. Deng Shigang (鄧仕剛)	House 88 Muk Wu Village Lin Ma Hang Road Ta Kwu Ling New Territories North Hong Kong	Chinese
Dr. Zhang Miao (張淼)	Building 26 Nandaheyuan No. 168, Xianlin Avenue Qixia District Nanjing Jiangsu Province PRC	Chinese

See "Directors and Senior Management" for further details of our Directors.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

[**REDACTED**]

Legal advisers to our Company

As to Hong Kong and United States laws:

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws:

Zhong Lun Law Firm
22-24/F & 27-31/F, South Tower of CP Center
20 Jin He East Avenue
Chaoyang District
Beijing
PRC

As to PRC intellectual property laws:

JunHe LLP Shanghai Office
26/F, HKRI Centre One
HKRI Taikoo Hui
288 Shimen Road (No. 1)
Shanghai
PRC

	As to U.S. intellectual property laws: **JunHe Law Office, P.C.** 12600 Hill Country Blvd, Suite R-275 Bee Cave, TX 78738 United States
Legal advisers to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and United States laws:* **Cooley HK** 35/F, Two Exchange Square 8 Connaught Place Central Hong Kong *As to PRC laws:* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road, Chaoyang District Beijing PRC
Reporting Accountants and Independent Auditor	**Ernst & Young** *Certified Public Accountants and Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square No. 1717, West Nanjing Road Jing'an District, Shanghai PRC
Compliance Adviser	**Rainbow Capital (HK) Limited** Office No. 710 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong
	[**REDACTED**]

CORPORATE INFORMATION

Registered Office	Room 901, Building 2 No. 400 Fucheng Road Qiantang District Hangzhou, Zhejiang PRC
Headquarters and Principal Place of Business in the PRC	Room 901, Building 2 No. 400 Fucheng Road Qiantang District Hangzhou, Zhejiang PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Company's Website	***www.sciwind.com.cn*** (the information contained on this website does not form part of this Document)
Joint Company Secretaries	**Mr. Ng Tung Ching Raphael (吳東澄)** *HKCGI* 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong **Ms. Tong Jinling (童金玲)** Room 901, Building 2 No. 400 Fucheng Road Qiantang District Hangzhou, Zhejiang PRC
Authorized Representatives	**Dr. Pan Hai (潘海)** Room 901, Building 2 No. 400 Fucheng Road Qiantang District Hangzhou, Zhejiang PRC **Mr. Ng Tung Ching Raphael (吳東澄)** *HKCGI* 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Audit Committee	Mr. Deng Shigang (鄧仕剛) *(Chairperson)* Dr. Wang Gang (王剛) Dr. Zhang Miao (張淼)

Remuneration and Appraisal Committee	Dr. Zhang Miao (張淼) *(Chairperson)* Dr. Pan Hai (潘海) Mr. Deng Shigang (鄧仕剛)
Nomination Committee	Dr. Wang Gang (王剛) *(Chairperson)* Dr. Zhang Miao (張淼) Ms. Yang Liu (楊柳)
Strategy Committee	Dr. Pan Hai (潘海) *(Chairperson)* Dr. Wu Xinle (吳心樂) Dr. Wang Gang (王剛)

[**REDACTED**]

Principal Banks

China Merchants Bank Hangzhou Xiasha Branch
No. 248
Tiancheng Road, Xiasha Street
Qiantang District
Hangzhou, Zhejiang
PRC

Bank of Hangzhou Jiangcheng Branch
No. 3, Caihe Jiaye Building
Sijiqing Street
Shangcheng District
Hangzhou, Zhejiang
PRC

China Minsheng Banking Hushu Branch
No. 64
Wenyi Road, Xixi Street
Xihu District
Hangzhou, Zhejiang
PRC

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us, the* [**REDACTED**], *the* [**REDACTED**], *Joint Sponsors,* [**REDACTED**], [**REDACTED**], *the* [**REDACTED**], *any of the* [**REDACTED**], *any of their respective directors and advisors, or any other persons or parties involved in the* [**REDACTED**], *and no representation is given as to its accuracy.*

SOURCE OF INFORMATION

We are an independent global market research and consulting company founded in 1961 and headquartered in the United States. Our services include market assessments, competitive benchmarking, and strategic planning across industries. This report is based on primary research, including interviews with industry participants and experts, and secondary research, including company disclosures, independent reports, and our proprietary databases. Market projections were developed using historical analysis, macroeconomic indicators, and industry-specific drivers. While we believe the assumptions adopted are reasonable and not misleading, the conclusions depend on the accuracy of the underlying data.

The report assumes: (i) a broadly stable global social, economic and political environment over the forecast period; (ii) continued support from key industry growth drivers; and (iii) no material force majeure events or regulatory changes that would fundamentally disrupt market development.

WEIGHT MANAGEMENT MARKET

Introduction to Weight Management and Obesity-Related Diseases

Weight management encompasses the clinical and therapeutic interventions designed to achieve and sustain optimal body weight to mitigate health risks. The therapeutic objective of weight management includes the treatment of overweight/obesity and prevention or treatment of obesity-related comorbidities. The global weight management drug market has grown steadily from USD99.7 billion in 2020 to USD112.8 billion in 2024. Looking ahead, the market is expected to accelerate, reaching USD116.5 billion in 2025 and USD277.4 billion by 2034.

Obesity represents a multifaceted health challenge with far-reaching implications across multiple organ systems. Obesity related diseases encompass a broad spectrum of conditions including cardiovascular disease, T2DM, MASH, OSA, dyslipidemia, hypertension, osteoarthritis, chronic kidney disease, musculoskeletal disorders, certain cancers and numerous other comorbidities. By 2024, there were over 3,575 million overweight and obese adults over the globe. The prevalence of obesity-related comorbidities increases substantially with both advancing age and increasing BMI. Among obese adults, approximately 70.4% present with at least one comorbidity, while 17.8% exhibit three or more concurrent conditions. The lifetime risk of T2DM increases to around 70% in severely obese individuals, while MASH affects approximately 34% of obese patients, representing a substantial burden of progressive liver pathology. The cascade effect of obesity on multiple organ systems necessitates comprehensive, multi-target therapeutic approaches that address both weight reduction and comorbidity management.

This has positioned weight management as a cornerstone intervention for reducing disease burden and enhancing long-term well-being across diverse patient populations.

Weight Management Therapeutic Framework and Modalities

Contemporary weight management employs a multi-modal therapeutic approach encompassing lifestyle interventions, pharmacotherapy, and surgical procedures. Lifestyle modifications, including dietary counseling and physical activity programs, typically achieve 5–10% weight loss, though long-term maintenance remains challenging. Bariatric surgery demonstrates superior efficacy with about 25–35% total body-weight loss but is restricted to severe obesity cases and carries surgical risks.

Pharmacological interventions have emerged as the most accessible and scalable therapeutic option. Traditional weight management medications, in China, primarily refer to non-GLP-1 anti-obesity drugs approved by the NMPA, which has been used for weight management through inhibition of gastrointestinal fat absorption. They generally achieve less than 10% weight loss. In China, Orlistat accounts for 100% of the non-GLP-1 obesity drug market, as it is the only approved non-GLP-1 pharmacotherapy. Globally, Orlistat also holds a substantial share of the non-GLP-1 market, while centrally acting combination therapies, including phentermine/topiramate and bupropion/naltrexone, account for relatively smaller portions. However, the introduction of GLP-1 receptor agonists has revolutionized the field, achieving 10–25% weight loss, a range that approaches the weight reduction typically observed with bariatric surgery, while maintaining well-tolerated safety profiles and broader accessibility. The structural diversity of GLP-1 therapeutics encompasses natural/unnatural peptide analogs, long-acting formulations, and oral/injectable therapeutics agonists.

Particularly, clinical data for XW003 show that, at 48 weeks, participants achieved mean body-weight reductions ranging from approximately 9.6% to 15.1%, with approximately 77.7% to 92.8% of participants achieving at least 5% body-weight reduction. In comparison, Orlistat is generally associated with more modest weight-loss outcomes and a mechanism limited to reducing dietary fat absorption. By contrast, GLP-1-based therapies, including XW003, act through central regulation of appetite and satiety and have demonstrated greater and more sustained weight-loss effects in clinical studies. This mechanism of action is more aligned with the current pharmacological treatment paradigm for obesity and metabolic disease management in China.

The following chart summarizes how weight management pharmacotherapy evolves:

	Early stage (1990s–2010s)	Single-target incretin (2015–2020)	Enhanced incretin (2021–present)	Future direction
MOA	Peripheral inhibition + central appetite suppression	GLP-1 receptor agonists	Biased or multi-target optimization	Oral incretins & multi-target therapies
% of Baseline Body Weight	~5–10%	~8–15%	~15–20%+	≥20% (Potential)
Administration	Mainly oral	Injectable (daily → weekly)	Long-acting injectable (weekly)	Oral + novel formulations
Combination/ Multi-target Potential	Limited efficacy & adherence	Foundation for metabolic control	Biased and multi-target approaches improve efficacy and safety balance	Combination therapy & precision targeting

Source: Literature research, Frost & Sullivan analysis

GLP-1 Receptor Agonists in Treating Obesity and Related Diseases

GLP-1 receptor agonists have emerged as the predominant therapeutic class in treating obesity and related disease, fundamentally transforming treatment paradigms across obesity, T2DM, and associated comorbidities. With superior clinically proven efficacy, GLP-1 receptor agonists has positioned them at the forefront of modern metabolic medicine, representing the fastest-growing segment within the global obesity therapeutics market.

Mechanism of Action

GLP-1 is an incretin hormone that activates GLP-1 receptor agonist. It plays a key role in stimulating glucose-dependent insulin secretion, suppressing glucagon release, delaying gastric emptying, and promoting satiety. Beyond its metabolic effects, GLP-1 also exerts protective actions on the cardiovascular system and has potential neuroprotective properties.

GLP-1 receptor agonists are pharmacological agents that mimic the actions of native GLP-1 while overcoming its short physiological half-life through structural modifications that enhance stability and prolong activity. Clinically, GLP-1 receptor agonists have demonstrated broad therapeutic potential, most notably in the treatment of T2DM and obesity, with emerging applications in other indications.

Competitive Advantages

Compared to other pharmacological approaches for treating obesity and related diseases, GLP-1 receptor agonists offer several distinct advantages:

- **Extended half-life and improved dosing convenience:** GLP-1 receptor agonists exhibit half-lives ranging from hours to several days, compared to natural human GLP-1 which is degraded within 2-3 minutes, enabling less frequent dosing and improved patient compliance.

- **Reduced hypoglycemic risk:** Compared to insulin, GLP-1 receptor agonists demonstrate glucose-dependent hypoglycemic effects, functioning primarily when glucose levels are elevated, thereby significantly reducing the incidence of hypoglycemia compared to traditional antidiabetic medications.

- **Cardiometabolic benefits:** Clinical evidence demonstrates cardiometabolic protection, addressing multiple aspects of metabolic syndrome beyond glycemic control and weight management.

As obesity and related diseases are often not immediately life-threatening, even moderate side effects or treatment burdens can materially deter patient uptake and persistence. While to reach ideal efficacy, it would require continuous administration of GLP-1 and strong adherence. Drug candidates that combine superior tolerability, favorable efficacy, convenient administration and cost-effectiveness are therefore best positioned for long-term adoption and market success.

Categorization and Latest Trends

GLP-1 receptor agonists can be categorized by target profile, signaling characteristics (biased or unbiased), molecular design, administration route, dosing frequency, etc. Ongoing development focuses on improving efficacy, compliance, acardiometabolic benefits, as illustrated in the following diagram.

Therapy Category	Administration	Representative Molecules
Long-acting GLP-1 receptor agonist	Once weekly, subcutaneous	Semaglutide, dulaglutide
First GLP-1 receptor agonist oral formulation	Once daily, oral	Semaglutide
Dual GlPand GLP-1 receptor agonist	Once weekly, subcutaneous	Tirzepatide
Triple GlP, GLP-1, and glucagon receptor agonist	Once weekly, subcutaneous	Retatrutide
Combined GLP-1-amylin receptor agonist	Once weekly, subcutaneous	Cagrisema, amycretin
Non-peptide GLP-1 receptor agonist small molecules	Once daily, oral	Orforqlipron
New cAMP-biased GLP-1 receptor agonist	Once weekly, subcutaneous	Ecnoglutide

Source: Literature research, Frost & Sullivan analysis

Biased Agonism

Unbiased GLP-1 receptor agonists (such as liraglutide and semaglutide) activate the Gαs-adenylyl cyclase (cAMP) pathway while simultaneously recruiting β-arrestin proteins, leading to receptor internalization and desensitization. In contrast, biased agonists (such as ecnoglutide, CT-388) selectively favor G-protein signaling, efficiently driving cAMP production while markedly reducing β-arrestin recruitment. This signaling bias limits rapid receptor desensitization and downregulation, maintains receptors at the cell surface, and sustains therapeutic signaling. Compared with unbiased GLP-1 receptor agonists, biased agonism enables increased activity due to less receptor internalization.

The following table compares the key characteristics of biased and unbiased GLP-1 receptor agonists:

Dimension	Biased GLP-1	Unbiased GLP-1
Signaling Pathway	Preferentially activates G protein/cAMP with limited β-arrestinrecruitment	Simultaneously activates both cAMP and β-arrestin pathways
Effect of β-arrestin Recruitment	Reduced β-arrestinengagement preserves receptor surface localization and prolongs signaling	Strong β-arrestinrecruitment leads to rapid receptor internalization and desensitization
Tissue-Level Signal Duration	Sustained downstream signaling due to lower receptor desensitization	Shorter signaling duration due to fast desensitization

Compared to other treatments on the market, biased GLP-1 receptor agonists demonstrate a significant advantage by requiring a lower dosage to achieve comparable or superior therapeutic effects. This reduced dosage minimizes drug exposure. These benefits position biased GLP-1 receptor agonism as a promising mechanism that may provide better clinical outcomes compared to existing treatments.

As of the Latest Practicable Date, Ecnoglutide (XW003) is the only biased GLP-1 peptide that has received NMPA approval in China for the treatment of both T2DM and overweight/obesity. The following tables set forth a comparative analysis of the global biased GLP-1 peptides that are currently approved and those under development.

Drug Category	Biased/ Unbiased	Drug Name	Company	Brand Name	Indications	China Approval Year	Administration	Dosing Period	Price, RMB/Unit
Innovative	Biased	Ecnoglutide (XW003)	Sciwind	Xianyida	Diabetes	2026	Injection	qw	NA
				Xianweiying	Overweight/ Obesity				

Drug Category	Biased/ Unbiased	Drug Name	Company	Indications	Clinical Stage	First Posted Date	Administration	Dosing Period
Innovative	Biased	Orforglipron	Eli Lilly	Overweight/Obesity, Diabetes	NDA	2025/12/18	Oral	qd
		Retatrutide	Eli Lilly	Overweight/Obesity, Diabetes	Phase III	2023/5/31	Injection	qw
		MET-097	Metsera	Overweight/Obesity, Diabetes	Phase III	2025/12/31	Injection	qw
		CT-388	Carmot Therapeutics	Overweight/Obesity, Diabetes	Phase III	2026/1/20	Injection	qw

Note: 1. The pipelines exclude those inactive within the past five years.
Source: Literature research, CDE, FDA, Frost & Sullivan analysis

Amylin

Amylin is a 37-amino-acid peptide hormone produced by pancreatic β-cells and co-secreted with insulin. Amylin could reduce appetite and slow gastric emptying, amylin analogs increase satiety through distinct amylin receptors and enhance leptin sensitivity. Because endogenous amylin is short-acting, drug developers have created long-acting amylin analogs for chronic therapy.

By targeting distinct receptors and pathways, both amylin and GLP-1 are effective individually, but when combined, they provide enhanced weight loss outcomes while maintaining tolerability as demonstrated by clinical evidence. As a result, amylin serves as an ideal complement to both GLP-1 mono- and multi-target therapies, positioning it as a promising candidate for next-generation anti-obesity treatments.

The global Amylin drug pipelines are shown in the figure below:

Drug	Company	Indications	Clinical Stage	First Posted Date	Dosing Period	Administration
CagriSema	Novo Nordisk	Overweight/Obesity	BLA	2025/12/18	qw	Injection
		T2DM	Phase III	2023/9/27	qw	Injection
Eloralintide	Eli Lilly	Overweight/Obesity	Phase III	2025/12/15	qw	Injection
Amycretin	Novo Nordisk	Overweight/Obesity	Phase III	2026/1/14	qw	Injection
			Phase I	2022/5/11	qd	Oral
		T2DM	Phase II	2024/7/11	qw	Injection
					qd	Oral
AZD6234	AstraZeneca	Overweight/Obesity	Phase II	2024/9/19	qw	Injection
KBP-336	KeyBioscience	Obesity/Knee osteoarthritis	Phase II	2024/12/3	qw	Injection
Petrelintide	Zealand Pharma A/S	Overweight/Obesity/T2DM	Phase II	2025/4/15	qw	Injection
MET-233i	Metsera	Overweight/Obesity	Phase I/II	2025/6/15	qm	Injection
NNC0662-0419	Novo Nordisk	Overweight/Obesity	Phase II	2025/9/22	qw	Injection
Colulintide	Eli Lilly	Overweight/Obesity	Phase I	2022/5/18	qw	Injection
GUB014295	AbbVie, Quotient Sciences	Overweight/Obesity	Phase I	2023/11/14	qw	Injection
BGM1812	BrightGene	Overweight/Obesity	Phase I	2025/11/4	qw	Injection

Notes: 1. The pipelines exclude those inactive within the past five years.
2. Combination formulations are included.
Source: Clinical trial, Company website, Literature research, Frost & Sullivan analysis

The Overweight/Obesity Drug Market

Obesity is a major risk factor for chronic diseases and can also lead to social and psychological problems, which in turn increases the cost of health care services for the population and burdens the health care system.

Categorization of Overweight/Obesity

Obesity related conditions are typically measured by age and body mass index (BMI). BMI is calculated as weight/height^2 (kg/m^2), is the internationally recognized standard for evaluating overweight/obesity status. Waist circumference measures central obesity, while waist-to-hip ratio serves as an additional indicator of body fat distribution.

In adolescent populations, height and weight change dynamically with age and sex, so BMI must be interpreted against specific sex and age to assess overweight and obesity rather than using fixed adult thresholds. Adolescent obesity has emerged as one of the most rapidly escalating public health challenges confronting the global healthcare landscape.

Treatment Paradigm of Overweight/Obesity

Overweight/obesity primarily relies on lifestyle interventions, including diet control and physical activity. For patients with severe obesity or comorbidities, bariatric surgery may be considered. Drug treatments include GLP-1 receptor agonists and non-GLP-1 medications such as Orlistat. In 2024, approximately 2% of patients with obesity received drug treatments, among which, GLP-1 receptor agonists accounted for more than 20% of the total market sales for obesity medications in 2024. The low proportion of drug use is mainly due to the limited number of approved drugs, high cost and insufficient insurance coverage for some medications, limited patient awareness, and conservative prescribing habits among physicians. With the recent launch of multiple new drugs, the accessibility and range of drug treatments are expected to increase, enabling more patients to achieve effective weight reduction through medication.

Management of moderate-to-severe obesity primarily involves lifestyle interventions, pharmacotherapy, and surgery. At present, there are no approved pharmacological therapies specifically indicated for moderate-to-severe obesity, which refers to patients with substantially higher BMI levels. Surgery is typically considered for patients with comorbidities or for whom lifestyle interventions alone are insufficient. As GLP-1 therapies advance toward approval, the proportion of patients using pharmacological treatments is expected to increase over time.

Adolescent obesity currently relies mainly on lifestyle interventions, with no approved drug treatments in China and surgery limited to a very small number of selected cases. As new drugs are approved and existing drugs expand their indications, the proportion of patients receiving pharmacotherapy is expected to increase gradually.

By 2030 in China, among patients receiving pharmacological treatment, over 60% of adolescent obesity patients and over 80% of moderate-to-severe obesity patients could use GLP-1 therapies. The slightly lower proportion among adolescents, compared with adults with moderate-to-severe obesity, reflects clinical caution and regulatory guidance for this age group. The basis and assumptions are as follows:

- For adolescent obesity patients, the >60% (GLP-1 share = Proportion meeting label criteria × Uptake among eligible adolescents × Adjustment for access constraints) is derived from the assumption that by 2030, most pharmacologically treated adolescents will be clinically eligible for GLP-1 use as regulatory approvals expand and pediatric treatment frameworks develop. The proportion reflects higher safety standards required due to ongoing growth and development, with the remainder attributable to limitations including affordability, injectable acceptance, and adherence challenges.

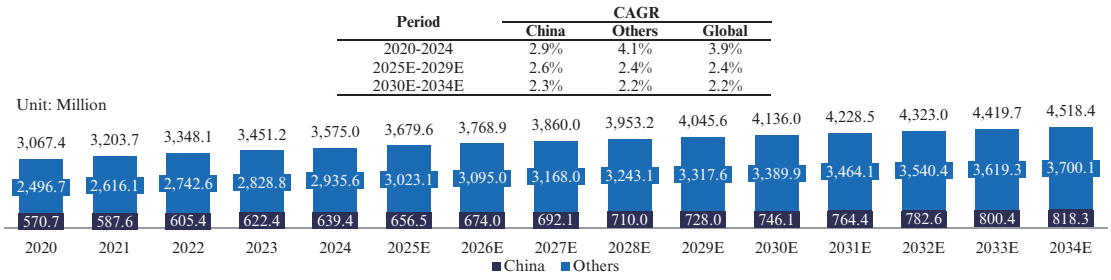
- For patients with moderate-to-severe obesity, the >80% (GLP-1 share = Severity-driven eligibility × Class preference in weight management × Adjustment for contraindications and access limits) is derived from the assumption that a majority of pharmacologically treated patients will meet clinical eligibility criteria for GLP-1 use by 2023, with greater disease severity expected to drive faster adoption. The remainder accounts for limitations including contraindications, tolerability issues, affordability, reimbursement restrictions, treatment persistence challenges, and continued use of alternative pharmacological options.

Prevalence of Overweight/Obesity

Globally, the overweight and obesity population reached 3,575.0 million in 2024 and is projected to grow to 4,518.4 million by 2034. In China, the affected population reached 639.4 million in 2024 and is expected to increase to 818.3 million by 2034.

The following chart sets forth the global prevalence of overweight/obesity by China and other regions:

Global and China Prevalence of Obesity/Overweight (Adults Only), 2020-2034E

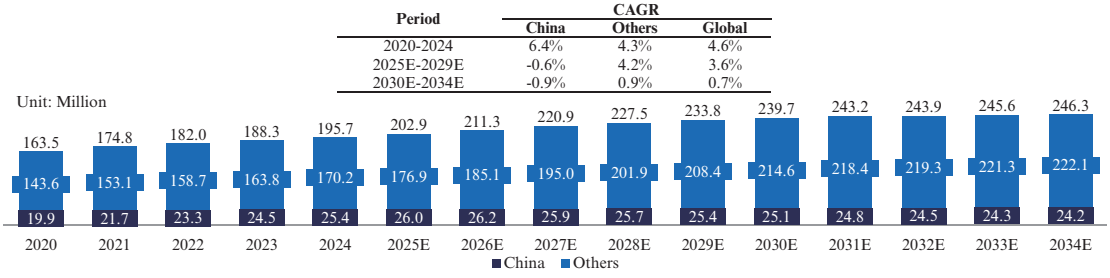


Source: Literature research, Frost & Sullivan analysis

Globally, the adolescent obesity population reached 195.7 million in 2024 and is projected to grow to 246.3 million by 2034. In China, the affected population reached 25.4 million in 2024 and is expected to decrease to 24.2million by 2034.

The following chart sets forth the global prevalence of adolescent obesity by China and other regions:

Global and China Prevalence of Adolescent Obesity, 2020-2034E



Notes: 1. adolescent refers to individuals aged 12 to under 18 years.

2. The number of adolescents with overweight/obesity in China is projected to have a CAGR of -0.6% from 2025E to 2029E and -0.9% from 2030E to 2034E. This is primarily because, although the prevalence rate of overweight and obesity among adolescents continues to rise, the overall adolescent population is expected to decline gradually due to demographic factors such as falling birth rates and a shrinking youth population.

Source: Literature research, Frost & Sullivan analysis

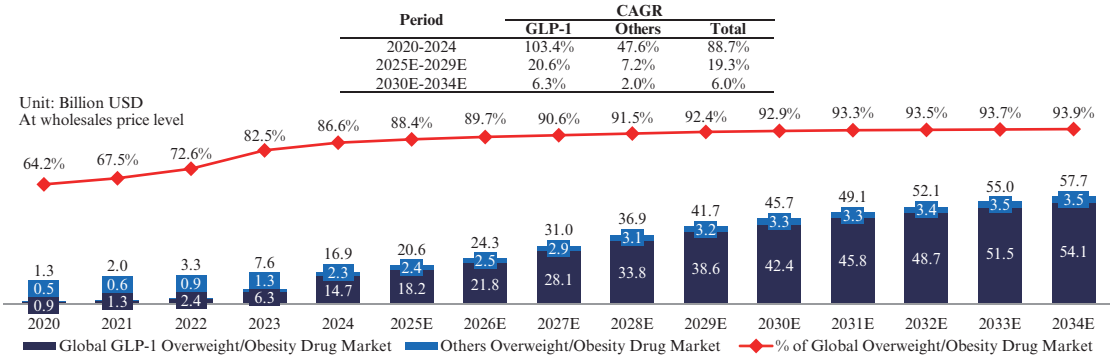
The Overweight/Obesity Drug Market Size

In 2024, the global market for overweight and obesity drugs reached USD16.9 billion. The market is projected to expand to USD41.7 billion by 2029, reflecting a robust CAGR of 19.3% from 2025 to 2029, and further increase to USD57.7 billion by 2034, with a steady CAGR of 6.0% from 2030 to 2034. This strong growth is primarily driven by the rising global prevalence of obesity and overweight, increasing awareness of obesity related comorbidities such as type 2 diabetes and cardiovascular disease, and growing demand for effective pharmacological interventions.

In particular, the emergence and clinical success of GLP 1 receptor agonists have significantly reshaped the treatment landscape by delivering both weight reduction and metabolic benefits. The global GLP-1 drug market for overweight and obesity surged from USD0.9 billion in 2020 to USD14.7 billion in 2024 and is projected to reach USD54.1 billion by 2034, reinforcing its dominant position in obesity pharmacotherapy.

The following diagram illustrates the historical size and projected expansion of the global overweight/obesity drug market by GLP-1 and other drugs:

Global Overweight/Obesity Drug Market (Including Adults and Adolescent), 2020-2034E



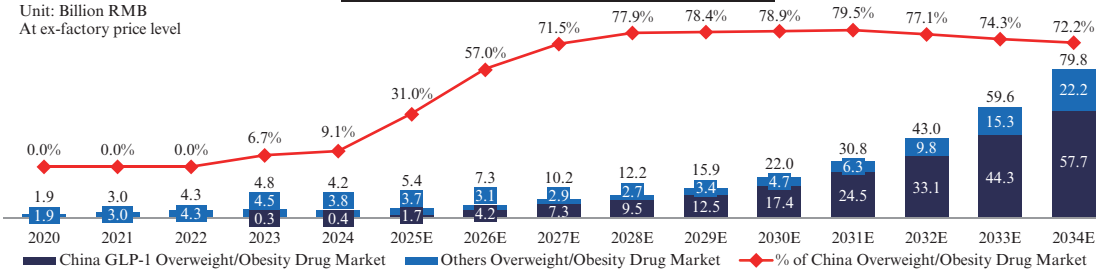
Source: Annual report, Frost & Sullivan analysis

The global overweight and obesity drug market expanded from USD1.3 billion in 2020 to USD16.9 billion in 2024. The adult segment increased from USD1.3 billion to USD15.1 billion, reflecting a CAGR of 86.0% from 2020 to 2024, while the adolescent segment grew from USD0.1 billion to USD1.8 billion, reflecting a CAGR of 123.7%. The market is projected to reach USD41.7 billion by 2029 with a CAGR of 19.3% from 2025 to 2029 and USD57.7 billion by 2034 with a CAGR of 6.0% from 2030 to 2034. Adult drugs are expected to reach USD36.0 billion by 2029 and USD48.7 billion by 2034, while the adolescent segment is projected to reach USD5.8 billion by 2029 and USD9.0 billion by 2034.

The first GLP-1 drug specifically approved for overweight/obesity was launched in China in 2023, marking a major turning point in the market. Since then, the market size of GLP-1 drugs in this indication has grown rapidly. It is projected to reach RMB12.5 billion by 2029, with an exceptionally high CAGR of 65.2% from 2025 to 2029, driven by the strong efficacy and safety profile of GLP-1 receptor agonists, increasing physician adoption, and expanding patient demand. In addition, GLP-1 receptor agonists address key current treatment priorities, including glycaemic control and weight management, and certain agents have demonstrated cardiovascular risk reduction in patients with established or high cardiovascular risk. In 2024, GLP-1 drugs accounted for only 9.1% of the total overweight/obesity drug market in China. However, with more GLP-1 products receiving regulatory approval, expanding clinical use, and potentially being included in the national reimbursement drug list (NRDL), the market share is expected to rise significantly — reaching 78.4% by 2029. This rapid shift underscores the transformative role of GLP-1 therapies in reshaping the overweight/obesity treatment landscape in China and signals the potential for these drugs to become the dominant class in the coming years.

Overweight/Obesity Drug Market in China (Including Adults and Adolescent), 2020-2034E

Period	CAGR		
	GLP-1	Others	Total
2020-2024	–	19.0%	21.8%
2025E-2029E	65.2%	-1.9%	31.1%
2030E-2034E	35.0%	47.8%	38.0%



Source: Annual report, Frost & Sullivan analysis

Growth Drivers and Future Trends of Overweight/Obesity Drug Market

China's overweight and obesity drug market increased from RMB1.9 billion in 2020 to RMB4.2 billion in 2024, reflecting a CAGR of 21.8%, driven entirely by adult drugs. The market is projected to reach RMB15.9 billion by 2029 with a CAGR of 31.1% from 2025 to 2029 and RMB79.8 billion by 2034 with a CAGR of 38.0% from 2030 to 2034. Adult drugs are expected to grow from RMB5.4 billion in 2025 to RMB74.2 billion by 2034, while the adolescent segment is projected to expand from a negligible base to RMB0.9 billion by 2029 and RMB5.6 billion by 2034.

The overweight/obesity drug market is shaped by the following growth drivers and future trends: (i) rising obesity prevalence across all age groups, with adult obesity contributing to higher burden of chronic diseases and adolescent obesity rising rapidly despite a lower base, driving demand for long-term pharmacological interventions; (ii) greater clinical need in moderate-to-severe obesity, where patients face complex comorbidities and have higher expectations for efficacy and safety, creating commercial opportunities for next-generation therapies; (iii) GLP-1 therapy innovation, including the development of biased agonists, amylin analogs, and oral formulations, which improve efficacy, tolerability, patient convenience, and market penetration; and (iv) evolving treatment goals, shifting from weight loss alone toward management of obesity-related complications such as MASH and OSA, expected to strengthen guideline recommendations, reimbursement inclusion, and broader clinical adoption.

Competitive Landscape of Overweight/Obesity Drugs (for Adults)

As of Latest Practicable Date, four GLP-1 drugs have already been approved globally (excluding China) for overweight/obesity, setting the benchmark for this therapeutic class. In addition, ten candidates are in late-stage development, including seven in Phase III, two at the BLA stage and one at the NDA stage, indicating strong momentum in late-stage development. Most remain injectable, though oral and less frequent dosing regimens are emerging. Other than the foregoing, globally, there were over 150 GLP 1 drugs in Phase II clinical trials, over 50 in Phase I clinical trials.

The following tables set forth details of globally (excluding China) approved and Phase III GLP-1 drugs for overweight/obesity as of the Latest Practicable Date:

Drug Category	Biased/ Unbiased	Target	Generic Name	Brand Name	Manufacturer	Global Approval Year	Administration	Dosing Period	Price, USD/Unit[1]
Innovative	Unbiased	GLP-1	Liraglutide	Saxenda®	Novo Nordisk	FDA:2014 EMA:2015	Injection	qd	73.6 (18mg/3ml)
		GLP-1	Semaglutide	Wegovy®	Novo Nordisk	FDA:2021 EMA:2022	Injection	qw	87.3 (0.25mg/0.5ml)
		GIP/GLP-1	Tirzepatide	Zepbound®	Eli Lilly	FDA:2023 EMA:2022	Injection	qw	74.8 (2.5mg/0.5ml)
		GLP-1	Semaglutide	Wegovy®	Novo Nordisk	FDA:2025	Oral	qd	44.2 (1.5mg)

Note: 1. Prices are averaged on a per-unit or per-administration basis.
Source: FDA, EMA, Literature research, Company website, Frost & Sullivan analysis

Drug Category	Biased/ Unbiased	Generic Name	Manufacturer	Clinical Stage	Administration	Dosing Period	First Posted Date
Innovative	Unbiased	CagriSema	Novo Nordisk	BLA	Injection	qw	2025/12/18
Innovative	Biased	Orforglipron/LY3502970	Eli Lilly	NDA	Oral	qd	2025/12/18
Innovative	Unbiased	Efpeglenatide	Hanmi	BLA	Injection	qw	2025/12/18
Innovative	Biased	Retatrutide	Eli Lilly	Phase III	Injection	qw	2023/5/31
Innovative	Unbiased	BI 456906/Survodutide	Boehringer Ingelheim	Phase III	Injection	qw	2023/10/11
Innovative	Unbiased	Maridebart cafraglutide/AMG 133	Amgen	Phase III	Injection	qm	2025/2/28
Innovative	Unbiased	VK2735	Viking Therapeutics	Phase III	Injection	qw	2025/8/5
Innovative	Unbiased	KAI-9531	Kailera	Phase III	Injection	qw	2025/12/16
Innovative	Biased	MET-097i	Metsera	Phase III	Injection	qw	2025/12/31
Innovative	Biased	CT-388	Carmot Therapeutics	Phase III	Injection	qw	2026/1/20

Notes: 1. The pipelines exclude those inactive within the past five years.
2. Combination formulations are included.
Source: FDA, EMA, Literature research, Company website, Frost & Sullivan analysis

As of Latest Practicable Date, a total of 6 GLP-1 drugs have been approved in China for the treatment of overweight/obesity, including XW003. HRS9531 has entered the BLA stage while orforglipron has submitted its NDA. In China, 35 GLP 1 drugs are in Phase III and over 50 GLP 1 drugs are in Phase II, over 200 in Phase I, and 7 drug candidates at the IND approval stage for obesity indications.

The following tables set forth details of approved and Phase III GLP-1 drugs for overweight/obesity in China as of the Latest Practicable Date:

Drug Category	Biased/ Unbiased	Target	Generic Name	Brand Name	Manufacturer	China Approval Year	Administration	Dosing Period	China Approval Other Indications	NRDL Inclusion Year	Price, RMB/ Unit[1] (Pre-NRDL)	Price, RMB/Unit[1] (Post-NRDL)
Innovative	Unbiased	GLP-1	Beinaglutide	Fitus	Benemae	2023	Injection	tid	2016: T2D	None	NA	NA
Biosimilar	Unbiased	GLP-1	Liraglutide	Liluping	Hangzhou Zhongmeihuadong	2023	Injection	qd	2023: T2D	None	310 (18mg/ 3ml)	NA
Innovative	Unbiased	GLP-1	Semaglutide	Wegovy	Novo Nordisk	2024	Injection	qw	2021: Cardiovascular (CV) Risk & T2D 2025: CKD	None	531 (2.27mg/ ml, 3ml)	NA
Innovative	Unbiased	GIP/ GLP-1	Tirzepatide	Mounjaro	Eli Lilly	2024	Injection	qw	2024: T2D 2025: OSA	None	795 (5mg/0.5 ml)	NA
Innovative	Unbiased	GLP-1/ GCGR	Mazdutide	XinErMei	Innovent	2025	Injection	qw	2025: T2D	None	315 (2mg/0.5 ml)	NA
Innovative	Biased	GLP-1	Ecnoglutide	Xianweiying	Sciwind	2026	Injection	qw	2026: T2D	None	NA	NA

Note: 1. Prices are averaged on a per-unit or per-administration basis.
Source: NMPA, Literature research, Company website, Frost & Sullivan analysis

The pipeline comprises 17 innovative drugs and 19 non-innovative products, including 10 biosimilars and 9 modified new drugs, indicating that while innovation remains active, a substantial proportion of the landscape is driven by follow-on and reformulated therapies.

Drug Category	Biased/ Unbiased	Generic Name	Manufacturer	Clinical Stage	Administration	Dosing Period	First Posted Date
Innovative	Unbiased	HRS9531	Hengrui	BLA	Injection	qw	2025/9/2
Innovative	Biased	Orforglipron/LY3502970	Lilly	NDA	Oral	qd	2026/1/10
Modified new drug	Unbiased	Semaglutide	Novo Nordisk	Phase III	Oral	qd	2023/4/6
Innovative	Unbiased	Cagrisema	Novo Nordisk	Phase III	Injection	qw	2023/7/5
Innovative	Unbiased	BI 456906	Boehringer Ingelheim	Phase III	Injection	qw	2023/12/14
Modified new drug	Unbiased	Semaglutide	Hybio	Phase III	Injection	qw	2024/9/2
Biosimilar	Unbiased	Semaglutide	Livzon	Phase III	Injection	qw	2024/9/5
Innovative	Unbiased	HS-20094	Jiangsu Hansoh	Phase III	Injection	qw	2024/10/31
Innovative	Unbiased	BGM0504	BrightGene	Phase III	Injection	qw	2024/10/31
Innovative	Unbiased	VCT220	Suzhou Wentai	Phase III	Oral	qd	2024/11/20
Innovative	Unbiased	GZR18	Gan & Lee	Phase III	Injection	qw/q2w	2024/12/18
Innovative	Unbiased	Efsubaglutide Alfa	Innogen	Phase III	Injection	qw	2025/3/3
Innovative	Unbiased	HRS-7535	Hengrui	Phase III	Oral	qd	2025/3/31
Innovative	Unbiased	HDM1002	Zhongmei Huadong	Phase III	Oral	qd/bid	2025/4/14
Innovative	Unbiased	TG103	CSPC	Phase III	Injection	qw	2025/4/16
Innovative	Unbiased	RAY1225	Raynovent	Phase III	Injection	q2w	2025/6/18
Innovative	Unbiased	Maridebart cafraglutide/AMG 133	Amgen	Phase III	Injection	qm	2025/8/27
Innovative	Unbiased	HDM1005	Hangzhou Zhongmeihuadong	Phase III	Injection	qw	2025/9/24
Innovative	Unbiased	MDR-001	Hangzhou MindRank Technology	Phase III	Oral	qd	2025/12/17
Innovative	Unbiased	ZT002	Beijing QL Biopharmaceutical	Phase III	Injection	qm	2025/12/19

Notes: 1. The pipelines exclude those inactive within the past five years.
2. Combination formulations are included.
3. Only the first three non-innovative pipeline are listed as representative examples.
Source: NMPA, Literature research, Company website, Frost & Sullivan analysis

Competitive Landscape of Overweight/Obesity Drugs (for Adolescent)

Globally, four drugs have been approved for the treatment of adolescent obesity in patients aged 12 years and older, two of which are GLP-1 receptor agonists, yet none have been approved for adolescents in China.

Given that adolescents are still undergoing physiological growth and maturation, therapeutic interventions for this population must comply with rigorous safety standards to prevent any interference with normal development. Consequently, pipelines developed for adolescent obesity indications are typically characterized by more stringent safety requirements and a higher overall safety profile.

The following table sets forth details of global approved adolescent obesity drugs as of the Latest Practicable Date:

Drug Category	Biased/ Unbiased	MOA	Generic Name	Brand Name	Manufacturer	Approval Year (Adolescents)	Administration	Dosing Period	Price, USD/Unit[1]
Innovative	/	Pancreatic lipase inhibitor	Orlistat	Xenical	Roche (Lipase Inhibitor)	FDA: 2003 (ages ≥ 12 yrs)	Oral	qd	6.2 (120mg)
Innovative	Unbiased	GLP-1 receptor agonist	Liraglutide	Saxenda	Novo Nordisk	FDA: 2020 (ages ≥ 12 yrs)	Injection	qd	73.6 (18mg/3ml)
Innovative	/	Sympathomimetic	Phentermine + Topiramate	Qsymia/Qsivia	Vivus LLC	FDA: 2022 (ages ≥ 12 yrs)	Oral	qd	7.4 (Qsymia: 3.75mg-23mg, Qsivia: 25mg)
Innovative	Unbiased	GLP-1 receptor agonist	Semaglutide	Wegovy	Novo Nordisk	FDA: 2022 (ages ≥ 12 yrs)	Injection	qw	87.3 (0.25mg/0.5ml)

Note: 1. Prices are averaged on a per-unit or per-administration basis.
Source: NMPA, FDA, EMA, Literature research, Company website, Frost & Sullivan analysis

The following table sets forth details of global adolescent obesity drugs under development as of the Latest Practicable Date:

Drug Category	Biased/ Unbiased	Generic Name	Development Region	Manufacturer	Clinical Stage	Administration	Dosing Period	First Posted Date
Innovative	Unbiased	Tirzepatide	Global (excluding China)	Eli Lilly	Phase III	Injection	qw	2023/10/10
	Biased	Orforglipron	Global (excluding China)	Eli Lilly	Phase III	Oral	qd	2024/11/04
	Unbiased	CagriSema	Global (excluding China)	Novo Nordisk	Phase III	Injection	qw	2025/11/28

Note: 1. The pipelines exclude those inactive within the past five years.
Source: NMPA, FDA, EMA, Literature research, Company website, Frost & Sullivan analysis

Drug Category	Biased/ Unbiased	Generic Name	Development Region	Manufacturer	Clinical Stage	Administration	Dosing Period	First Posted Date
Innovative	Unbiased	Mazdutide	China	Innovent	Phase III	Injection	qw	2025/11/19
	Unbiased	CagriSema	China	Novo Nordisk	Phase III	Injection	qw	2025/11/28
	Biased	Ecnoglutide (XW003)	China	Sciwind	Phase I	Injection	qw	2025/8/8

Note: 1. The pipelines exclude those inactive within the past five years.
Source: NMPA, FDA, EMA, Literature research, Company website, Frost & Sullivan analysis

OSA Drug Market

OSA is a sleep-related breathing disorder characterized by episodes of complete (apnea) or partial (hypopnea) collapse of the upper airway, leading to decreased oxygen desaturation or arousal from sleep. Patients with suspected OSA usually present with fragmented and non-restorative sleep, excessive daytime sleepiness, loud snoring, gasping, choking, or witnessed episodes of breathing cessation during sleep. Excessive daytime sleepiness is one of the most common symptoms.

OSA and obesity often coexist. Upper-airway collapse leads to intermittent hypoxia, which triggers sympathetic activation, increases appetite and promotes insulin resistance. Central obesity reduces pharyngeal airway calibre and contributes to OSA. Weight loss through lifestyle modification or pharmacotherapy (GLP-1 RAs) reduces AHI and improves both OSA and metabolic comorbidities.

Treatment Paradigm of OSA

OSA primarily involves lifestyle interventions (weight reduction and sleep position adjustment), continuous positive airway pressure (CPAP), and surgery. Currently, medications for OSA are limited to Tirzepatide, which was approved in 2025 as the first medication for OSA in China. Due to recent approvals, the current share of OSA medication sales is limited, but it is expected to increase gradually as more drugs are approved and clinical use expands. Particularly, by 2030, over 20% of patients receiving pharmacological treatment for OSA could choose GLP-1 therapy as clinical adoption expands.

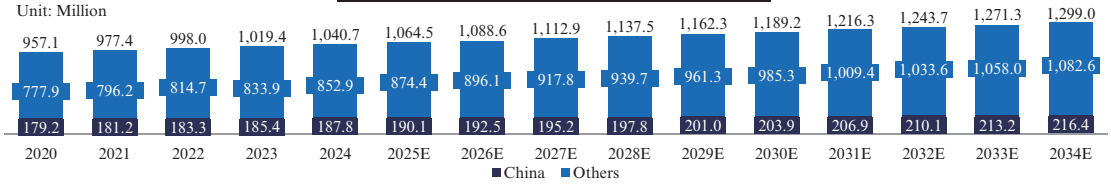
Following the NMPA approval of tirzepatide for OSA in 2025, pharmacological treatment for OSA is expected to be progressively adopted in clinical practice, establishing a defined drug-treated patient population. The >20% (GLP-1 share = Obesity-driven OSA proportion × Adoption post-approval × Adjustment for treatment pathway evolution) represents the projected share of GLP-1 therapies within OSA patients receiving pharmacological treatment by 2030 following regulatory approval and clinical adoption. Penetration is moderated by the evolving differentiation of pharmacological treatment pathways, patient-level variation in treatment choice and persistence, and the coexistence of multiple drug-based treatment options.

Prevalence of OSA Globally and in China

Globally, OSA patients increased from 957.1 million in 2020 to 1,040.7 million in 2024 and are projected to reach 1,299.0 million by 2034, while China is expected to grow from 179.2 million to 216.4 million over the same period, driven by rising obesity and lifestyle changes.

Global and China Prevalence of OSA, 2020-2034E

Period	CAGR		
	China	Others	Global
2020-2024	1.2%	2.3%	2.1%
2025E-2029E	1.4%	2.4%	2.2%
2030E-2034E	1.5%	2.4%	2.2%



Source: Literature research, Frost & Sullivan analysis

OSA Drug Market Size

Emerging pharmacological therapies, particularly GLP-1 receptor agonists, are providing alternatives to CPAP and improving treatment uptake for OSA. Following the global approval of tirzepatide in 2024, the OSA drug market is projected to grow from USD0.5 billion in 2025 to USD5.7 billion by 2034, with GLP-1 therapies remaining the dominant driver of market expansion.

China's OSA drug market remains nascent but is projected to expand from RMB0.01 billion in 2025 to RMB6.1 billion by 2034, driven by improving diagnosis rates, rising disease awareness, and the emergence of novel pharmacological therapies such as GLP-1 receptor agonists as alternatives to CPAP.

Competitive Landscape of OSA Drugs

For the indication of OSA, tirzepatide is the only therapy approved globally and in China.

As of the Latest Practicable Date, globally, only three GLP-1based drug candidates for obstructive sleep apnea (OSA) have been disclosed, both of which are in phase III clinical trials.

Drug Category	Biased/ Unbiased	Drug Name/Code	Company	Development Region	Administration	Clinical Stage	First Posted Date
Innovative	Biased	Retatrutide	Eli Lilly	Global (excluding China)	Injection	Phase III	2023/07/03
Innovative	Biased	Orforglipron	Eli Lilly	Global (excluding China)	Oral	Phase III	2024/10/18
Innovative	Unbiased	Maridebart cafraglutide/AMG 133	Amgen	Global (excluding China)	Injection	Phase III	2025/11/10

Note: 1. The pipelines exclude those inactive within the past five years.
Source: CDE, Company website, Literature research, Frost & Sullivan analysis

As of the Latest Practicable Date, the following four GLP-1based therapies represent all disclosed drug candidates for OSA currently under development in China.

Drug Category	Biased/ Unbiased	Drug Name/Code	Company	Development Region	Administration	Clinical Stage	First Posted Date
Innovative	Biased	Orforglipron	Eli Lilly	China	Oral	Phase III	2024/12/05
Innovative	Unbiased	Mazdutide	Innovent	China	Injection	Phase III	2025/04/14
Innovative	Unbiased	HRS9531	Jiangsu Hengrui	China	Injection	Phase III	2025/04/25
Innovative	Biased	Ecnoglutide (XW003)	Sciwind	China	Injection	Phase III	2026/02/02

Note: 1. The pipelines exclude those inactive within the past five years.
Source: CDE, Company website, Literature research, Frost & Sullivan analysis

MASH Drug Market

MASH is a severe form of MASLD characterized by liver inflammation and damage caused by fat accumulation, which can progress to cirrhosis and liver cancer and often remains asymptomatic in early stages.

Treatment Paradigm of MASH

The >15% (GLP-1 share = Metabolic phenotype proportion × Clinical adoption as guidelines mature × Early-stage market constraint factor) is derived from the assumption that GLP-1 therapies will be adopted in a defined subset of pharmacologically treated MASH patients by 2030 as treatment pathways mature and clinical experience accumulates. This portion reflects the early stage of pharmacological management in MASH, evolving guideline positioning, heterogeneity of patient profiles, and the expected coexistence of multiple therapeutic classes.

Prevalence of MASH Globally and in China

Globally, MASH patients increased from 351.1 million in 2020 to 400.5 million in 2024 and are projected to reach 537.6 million by 2034, driven by rising obesity and metabolic disorders. In China, patient numbers grew from 38.7 million in 2020 to 44.0 million in 2024 and are expected to reach 61.1 million by 2034, supported by urbanization, population aging, and improving diagnosis rates.

MASH Drug Market Size

In 2024, the global MASH drug market reached USD3.4 billion and is projected to expand to USD53.6 billion by 2034, supported by new drug approvals, rising disease awareness, and strong pipeline innovation, with GLP-1 therapies emerging as a key growth driver. In China, the market grew from USD0.1 billion in 2020 to USD0.2 billion in 2024 and is expected to reach USD5.0 billion by 2034, driven by increasing prevalence and expanding treatment adoption.

Competitive Landscape of MASH Drugs

As of the Latest Practicable Date, three drugs have been approved globally (excluding China) for the treatment of MASH, highlighting a substantial unmet medical needs. Lipaglyn (saroglitazar magnesium) was approved in India in 2020, Rezdiffra (resmetirom) received FDA approval in the U.S. in 2024, and semaglutide was approved by the U.S. FDA in 2025 for this indication.

As of the Latest Practicable Date, 14 GLP-1 receptor agonist drug candidates were under clinical development for the treatment of MASH globally, including 2 in Phase III, 6 in Phase II, and 6 in Phase I.

As of the Latest Practicable Date, ten GLP-1 receptor agonist drug candidates were under clinical development for the treatment of MASH in China, including 3 in Phase III, 5 in Phase II, and 2 in Phase I.

DIABETES DRUG MARKET

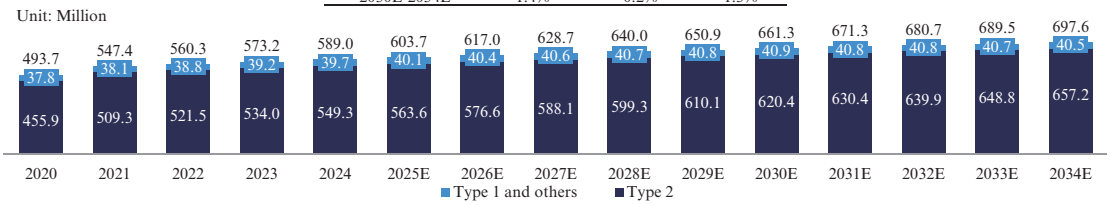
Diabetes mellitus is typically classified into type 1 diabetes (beta cell destruction usually resulting in absolute insulin deficiency), type 2 diabetes (insulin resistance and beta cell dysfunction), gestational diabetes mellitus (GDM, diagnosed during pregnancy), and other types (such as monogenic diabetes syndromes, drug/chemical induced diabetes, etc.). Type 2 diabetes represents the most common type within the diabetes group. T2DM is a metabolic disorder characterized by chronic hyperglycaemia caused by defects in insulin secretion, insulin action, or both. Persistent hyperglycaemia can lead to long-term damage, dysfunction, and failure of multiple organs, especially the eyes, kidneys, nerves, heart, and blood vessels.

Prevalence of T2DM Globally and in China

The number of diabetes patients worldwide has been rising steadily for many years, with the majority diagnosed with T2DM. Globally, the diabetic population reached 589.0million in 2024 and is projected to grow to 697.6 million by 2034. The sustained growth in diabetes prevalence is driven by a combination of socio-economic, demographic, environmental, and genetic factors.

Global Prevalence of Diabetes, 2020-2034E

Period	CAGR		
	Type 2	Type 1 and others	Total
2020-2024	4.8%	1.2%	4.5%
2025E-2029E	2.1%	0.4%	1.9%
2030E-2034E	1.4%	-0.2%	1.3%



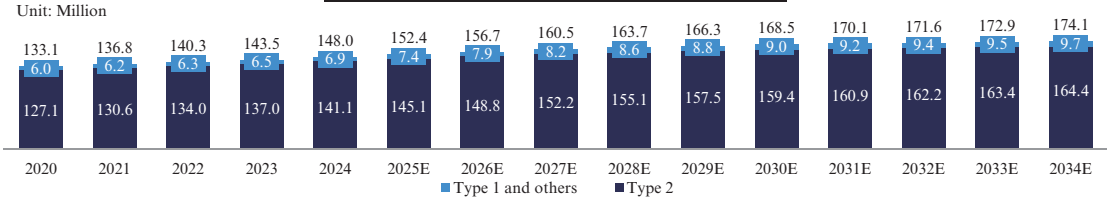
Source: WHO, IDF, ADA, Frost & Sullivan analysis

The number of diabetes patients in China has been steadily increasing over the years, with the majority diagnosed with T2DM. In China, the affected population reached 148.0 million in 2024 and is expected to decrease to 174.1 million by 2034.

This sustained growth is driven by a combination of socio-economic, demographic, environmental, and genetic factors. Key contributors include population aging, rising obesity rates, increased urbanization, and lifestyle changes such as reduced physical activity and unhealthy dietary habits. Additionally, broader health screening coverage and improved diagnostic capabilities have led to earlier and more widespread detection of diabetes cases. Together, these factors are fueling the continuous expansion of China's diabetic population and driving long-term demand for chronic disease management and therapeutic innovation.

Prevalence of Diabetes in China, 2020-2034E

Period	CAGR		
	Type 2	Type 1 and others	Total
2020-2024	2.6%	3.5%	2.7%
2025E-2029E	2.1%	4.6%	2.2%
2030E-2034E	0.8%	1.7%	0.8%



Source: WHO, IDF, ADA, Frost & Sullivan analysis

Treatment Paradigm

Diabetes management primarily relies on medications, encompassing insulin, metformin, SGLT-2 inhibitors, GLP-1 receptor agonists, DPP-4 inhibitors, and other drugs. In 2024, approximately 90% of diagnosed diabetes patients in China received drug therapy. Specifically, GLP-1 receptor agonists accounted for approximately 14% of total diabetes

medication sales in 2024. Other diabetes medications included insulin (25%), metformin (12%), SGLT-2 inhibitors (15%), DPP-4 inhibitors (9%), and other drugs (25%). Compared with insulin, GLP-1 therapies are associated with lower hypoglycaemia risk and a more favorable weight profile, while insulin is linked to weight gain and requires intensive monitoring. Compared with metformin, GLP-1 therapies may offer additional benefits in selected patients, including weight reduction and, for certain agents, cardiovascular risk reduction. The share of GLP-1 receptor agonists is expected to increase further as additional GLP-1 drugs are approved and their clinical use expands.

In 2024, more than 5% of patients in China receiving pharmacological treatment for T2DM chose GLP-1 receptor agonists, based on patient-level estimates. Although the proportion is relatively low, the large patient population means significant market potential. By 2030, over 10% of patients receiving pharmacological treatment for diabetes are expected to choose GLP-1 therapies. The >10% (GLP-1 share = Guideline-eligible proportion × Uptake among eligible patients × Structural dilution factor) is derived from the assumption that a defined proportion of pharmacologically treated diabetes patients will receive GLP-1 therapies by 2030, supported by expanding accessibility and reimbursement inclusion. The proportion reflects the structurally multi-class and highly individualized nature of diabetes pharmacotherapy, where GLP-1's class share is intrinsically diluted by diversified standard-of-care regimens including biguanides, insulin, DPP-4 inhibitors and SGLT-2 inhibitors, as well as the need for individualized treatment selection.

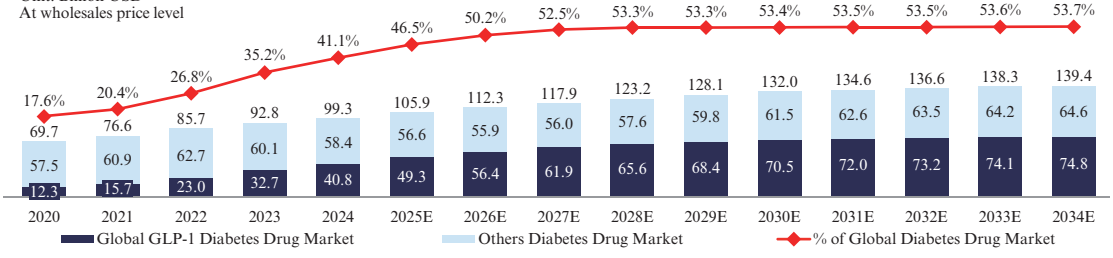
GLP-1 receptor agonists have achieved progressively elevated positioning in ADA and EASD treatment guidelines and are expected to be recommended as first-line therapy for broader patient populations in the future. Biased GLP-1 receptor agonist was specially referenced in the newest guideline of Chinese diabetes society in 2024. Across therapeutic generations, distinct structural modifications evolving from native peptide analogs to long-acting receptor agonists have resulted in varying efficacy and safety profiles, reflecting continuous optimization of GLP-1 therapeutics.

Diabetes Drug Market Size

In 2024, the global diabetes drug market reached USD 99.3 billion and is projected to increase to USD 139.4 billion by 2034. The GLP-1 receptor agonist segment, which totaled USD 40.8 billion in 2024, is expected to reach USD 74.8 billion by 2034, with its market share rising from 41.1% to 53.7% over the same period.

Global Diabetes Drug Market, 2020-2034E

Period	CAGR		
	GLP-1	Others	Total
2020-2024	35.1%	0.4%	9.2%
2025E-2029E	8.5%	1.4%	4.9%
2030E-2034E	1.5%	1.2%	1.4%

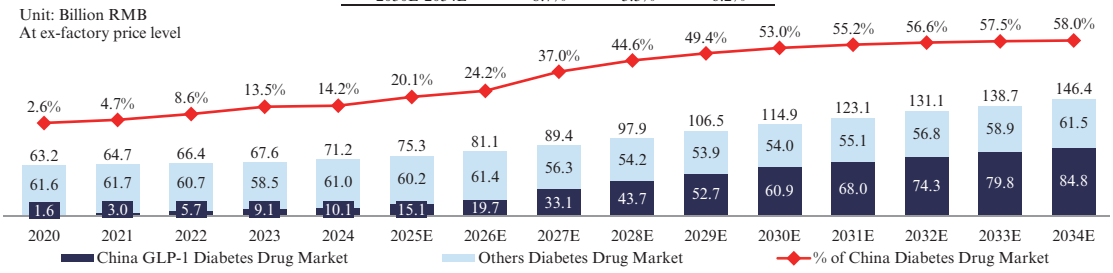


Source: Annual Report, Frost & Sullivan analysis

In 2024, the China diabetes drug market reached RMB71.2 billion and is projected to increase to RMB146.4 billion by 2034. The GLP-1 receptor agonist segment, which amounted to RMB10.1 billion in 2024, is expected to reach RMB84.8 billion by 2034, with its market share increasing from 14.2% to 58.0% over the same period.

Diabetes Drug Market in China, 2020-2034E

Period	CAGR		
	GLP-1	Others	Total
2020-2024	57.6%	-0.2%	3.0%
2025E-2029E	36.6%	-2.7%	9.1%
2030E-2034E	8.7%	3.3%	6.2%



Source: Annual Report, Frost & Sullivan analysis

Our Directors confirm that, after making reasonable enquiries, there is no material adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

Competitive Landscape of GLP-1 Receptor Agonists for T2DM

As of the Latest Practicable Date, a total of 9 GLP-1 receptor agonists have been approved globally excluding China for the treatment of diabetes, with 23 approved in China.

As of the Latest Practicable Date, globally (excluding China), there were over 200 GLP-1 drug candidates in Phase III clinical development for the treatment of diabetes, including two at the BLA submission stage, over 100 in Phase II, and over 150 in Phase I. In China, there were over 50 in Phase III, including 15 at the BLA or NDA submission stage, over 30 in Phase II, over 150 in Phase I, and six at the IND approval stage.

Growth Drivers and Future Trends of the Diabetes Drug Market

The diabetes drug market is shaped by the following growth drivers and future trends: (i) rising diabetes prevalence due to population aging, urbanization, and lifestyle changes, with a substantial proportion of individuals remaining undiagnosed, emphasizing the ongoing need for early identification and intervention; (ii) increasing awareness and access, supported by proactive screening, price adjustments, patient assistance programs, and procurement policies that enable broader patient coverage and adherence; (iii) therapeutic innovation, with novel agents such as GLP-1 receptor agonists, SGLT-2 inhibitors, and DPP-4 inhibitors transforming diabetes management beyond glycemic control to include weight management, cardiovascular protection, and metabolic health; and (iv) evolving patient demand and care models, with clinicians and patients increasingly seeking therapies that combine efficacy with tolerability, supported by expanding hospital networks and DTP pharmacy channels, and a growing emphasis on individualized, long-term treatment tailored to diverse patient needs.

REPORT COMMISSIONED BY FROST & SULLIVAN

In connection with the [**REDACTED**], we commissioned Frost & Sullivan, an Independent Third Party, to prepare a report on global and China's markets regarding metabolic disorders and digestive diseases. Except as otherwise noted, all data and forecasts in this section come from the Frost & Sullivan report. We have agreed to pay a total of RMB0.55 million in fees for the preparation of the Frost & Sullivan report. Frost & Sullivan is a market research and consulting company that provides market research on a variety of industries including healthcare. In preparing the report, Frost & Sullivan collected and reviewed publicly available data such as government-derived information, annual reports and industry association statistics, as well as market data collected by conducting interviews with key industry experts and leading industry participants. Frost & Sullivan has exercised due care in collecting and reviewing the information so collected.

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

This section summarizes the principal PRC laws, rules and regulations that are relevant to our business:

Regulatory Authorities

The regulatory authorities of the drug industry in the PRC include: the National Medical Products Administration (國家藥品監督管理局) (the "**NMPA**"), the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會) (the "**NHC**") and the National Healthcare Security Administration (國家醫療保障局) (the "**NHSA**").

The NMPA is an authority under the State Administration for Market Regulation (國家市場監督管理總局) (the "**SAMR**") and is the primary regulator for medical products. It is primarily responsible for supervising and managing drugs, medical devices and cosmetics, including drafting of relevant regulations and policies; undertaking standard management, registration regulation, quality management and post-market risk management for drugs, medical devices and cosmetics; and organizing and guiding the supervision and inspection of drugs, medical devices and cosmetics; undertaking management of qualifications for licensed pharmacists.

The NHC is the primary national regulator for public health. It is primarily responsible for drafting national health policies, supervising and regulating public health, healthcare services, and health emergency systems, coordinating the reform of medical and health system, organizing the formulation of national drug policies and national essential medicine system, launching an early warning mechanism for the monitoring of the use and clinical comprehensive evaluation of medicine as well as the drug shortage, giving suggestions on the pricing policy of national essential medicine, and regulating the operation of medical institutions and practicing of medical personnel.

The NHSA is an authority directly under the State Council of the PRC (中華人民共和國國務院) (the "**State Council**") responsible for the management of the healthcare security system. It is primarily responsible for drafting and implementing policies and standards on medical insurance, maternity insurance and medical assistance; supervising and administering the healthcare security funds; organizing the formulation of a uniform medical insurance catalogue and payment standards on drugs, medical disposables and healthcare services; and formulating and supervising the implementation of the bidding and tendering policies for drugs and medical disposables.

Laws and Regulations in Relation to New Drugs

Application for New Drug Registration

Drug registration refers to an approval process where the NMPA conducts review of the safety, efficacy and quality controllability of the drugs intended for marketing according to the application for drug registration made by an applicant, and decides whether to approve the application. Pursuant to the provisions of the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), promulgated by the SAMR on January 22, 2020 and came into effect on July 1, 2020, the Measures for the Administration of Drug Registration (2020) shall apply to the development, registration, supervision and management activities carried out in the territory of the PRC for marketing of drugs. In accordance with the Measures for the Administration of Drug Registration (2020), drugs registration refers to activities that a drug registration applicant files an application and other supplementary applications for clinical drug trial, approval for drug marketing, and reregistration, among others, under the legal procedures and according to the relevant requirements, and that the

medical products administrative department examines the safety, effectiveness, and quality controllability based on the laws and regulations, and the existing scientific cognitions, to decide whether to agree with the activities applied for. A drug registration certificate shall be valid for five years. During the validity period, a holder of a drug registration certificate shall continue to ensure the safety, effectiveness and quality controllability of the marketed drug, and apply for re-registration of the drug six months prior to the expiry of the validity period.

Non-clinical Research and Animal Testing

The non-clinical safety assessment of drugs for marketing approval shall be conducted in accordance with the Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) promulgated by the State Food and Drug Administration (the "**SFDA**") in August 2003 and latest amended by the China Food and Drug Administration (the "**CFDA**") in July 2017 and came into effect on September 1, 2017. The SFDA promulgated the Administrative Measures for the Certification of Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》) in April 2007, which specifies the requirements for institutions applying for Good Laboratory Practices (GLP) certification of non-clinical laboratory studies. On January 19, 2023, the NMPA amended the Administrative Measures for the Certification of Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》), which came into effect on July 1, 2023.

According to the Regulations for the Administration of Affairs Concerning Experimental Animals (《實驗動物管理條例》) promulgated by the State Science and Technology Commission in November 1988 and lastly amended in March 2017 by the State Council, the Administration Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》) jointly promulgated by the State Science and Technology Commission and the State Bureau of Quality and Technical Supervision in December 1997, and the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》) promulgated by the Ministry of Science and Technology and other regulatory authorities in December 2001 and came into effect in January 2002, using experimental animals and related products requires a Certificate for Utilization of Laboratory Animals. A Certificate for Utilization of Laboratory Animals shall be valid for five years, and the holder shall apply for renewal six months prior to the expiry of the validity period. A Certificate for Utilization of Laboratory Animals shall be inspected annually by the local Science and Technology Bureau.

Application for Clinical Trial

After completing the pre-clinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduction of new clinical drug trials. According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017 and came into effect on May 1, 2017, the decision on the approval of clinical trials of drugs enacted by the CFDA can be made by the CDE from May 1, 2017. Pursuant to the Drug Administration Law, the dossier on a new drug research and development, including the manufacturing method, quality specifications, results of pharmacological and toxicological tests and the relevant data, files and samples, shall, in accordance with the regulations of the drug regulatory authority under the State Council be truthfully submitted to the said department for approval before clinical drug trial is conducted.

The drug regulatory authority of under State Council shall decide whether to approve the clinical trial application and notify the decision to the clinical trial applicant within sixty (60) business days from the date of accepting the clinical trial application. If the drug regulatory authority under the State Council fails to do so, the clinical trial application shall be deemed as approval, and if the bioequivalence test is conducted, it is required to report it to the drug regulatory authority under State Council for filing.

Before conducting the clinical trial, the applicant shall file a series of detailed documents with the NMPA. According to the Announcement on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect in September 2013, and the Standard for the Management of Drug Clinical Trial Registration and Information Disclosure (Trial) (《藥物臨床試驗登記與信息公示管理規範(試行)》), which came into effect in July 2020, all clinical trials approved by the CFDA and conducted in the PRC shall complete the clinical trial registration and information disclosure on the Drug Clinical Trial Information Platform. The applicant must complete the initial registration of the trial within one month after obtaining the approval of the clinical trial to obtain the unique registration number of the trial; and complete the subsequent data registration before the first patient is enrolled and submit it for the first time for disclosure.

After obtaining clinical trial approval, the applicant shall choose institutions qualified for clinical trials of the drug to conduct clinical trials. Pursuant to the Administrative Regulations for Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect in December 2019, if engaging in drug development activities and conducting clinical trials of drugs (including bioequivalence test conducted after filing) approved by the NMPA within the territory of the PRC, they shall be conducted in the Drug Clinical Trial Institutions. Drug clinical trial institutions shall be subject to filing administration. Institutions that only engage in analysis of biological samples related to drug clinical trials shall not be subject to filing. The national drug regulatory authority is responsible for setting up a filing management information platform for drug clinical trial institutions for registration, filing and operation management of drug clinical trial institutions, as well as the entry, sharing and disclosure of information on supervision and inspection of the drug regulatory authority and competent healthcare authority.

Conduct of Clinical Trial

In compliance with the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), clinical trials are divided into Phase 1, Phase 2, Phase 3, Phase 4 and bioequivalence trial:

A clinical drug trial to be carried out shall be examined and approved by the ethics committee. Clinical trials shall be conducted for the application of new drug registration and shall be implemented in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》), promulgated by the NMPA and NHC and came into effect on July 1, 2020. The Good Clinical Practice for Drug Trials stipulates the criteria for the entire procedure of the clinical trial with reference to the internationally recognized principles.

According to the Announcement of the National Medical Products Administration on Adjusting the Review and Approval Procedures for Drug Clinical Trials (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告》), if a new drug clinical trial has been approved to be carried out, after the completion of Phase 1 and Phase 2 clinical trials and before the implementation of Phase 3 clinical trials, the applicant shall submit an application for a communication meeting to the CDE to discuss with the CDE on key technical issues including the design of the phase 3 clinical trial design. The applicant can also apply for communication on key technical issues at different stages of clinical research and development.

According to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), applicants may communicate with CDE on major issues at critical stages such as prior to application for clinical trial of a drug, during the process of clinical trial of a drug, and prior to application for marketing authorization of a drug. According to the Measures for the Administration of Communication and Exchange in Drug Development and Technology Review (《藥物研發與技術審評溝通交流管理辦法》) promulgated by the CDE on December 10, 2020, an applicant may propose to convene a communication meeting with the CDE during the process of drug research and development and registration application.

New Drug Application

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), after completing the pharmaceutical research, pharmacological and toxicological research, clinical drug trial, and other researches supporting the marketing registration of a drug, determining the quality standards, completing the verification of commercial large-scale production process, and making sound preparation for the acceptance of drug registration inspection and examination, an applicant shall file an application for drug marketing authorization, and submit relevant research materials in accordance with the requirements of the application materials. After the formal examination of the application materials, an application that satisfies the requirements shall be accepted. Where a generic drug, in vitro diagnostic reagent managed as a drug, or any other eligible circumstance assessed by an applicant to be unnecessary or impossible for conducting clinical drug trial and meeting the conditions for exempting clinical drug trial, the applicant may directly file an application for drug marketing authorization. The technical guiding principles and relevant specific requirements for exempting clinical drug trial shall be developed and announced by the CDE.

The CDE shall organize pharmaceutical, medical and other technical personnel to evaluate the accepted applications for drug marketing authorization as required. Where the comprehensive evaluation conclusion is adopted, the drug shall be approved for marketing, and a drug registration certificate shall be issued. If the comprehensive evaluation conclusion is not adopted, a disapproval decision shall be made. A drug registration certificate shall specify the drug approval number, holder, manufacturer and other information.

Drug registration inspection means the inspection activities carried out for the development sites and production sites for verifying the authenticity and consistency of the application materials and the commercial production conditions for marketing of drugs, and examining the compliance of drug development, and data reliability, among others, and the extended examination activities carried out for manufacturers, suppliers, or other entrusted institutions of chemical active pharmaceutical ingredients ("**APIs**"), auxiliary materials, and packaging materials and containers in direct contact with drugs involved in the application for drug registration, if necessary.

The CDE shall decide whether to carry out on-site inspection of drug registration development based on risks, according to the degree of drug innovation and the previous acceptance of inspection by drug research institutions.

The CDE shall decide whether to launch production site inspection for drug registration based on risks according to factors such as variety, process, facility, and previous acceptance of inspection for which an application is filed for registration. For innovative drugs, new modified drugs and biological products, production site inspection for drug registration and pre-marketing examination for management standards for drug production quality shall be conducted. For generic drugs, production site inspection for drug registration and premarketing examination for management standards for drug production quality shall be conducted based on the risks, according to whether a drug production license for the corresponding production scope has been obtained and whether a variety of the same dosage form has been marketed.

After an application for drug registration is accepted, the CDE shall conduct preliminary examination within forty (40) business days of acceptance, notify the Center for Food and Drug Inspection of NMPA (the "**Center for Inspection**") of organizing inspection and provide the relevant materials required for inspection, where production site inspection for drug registration is required, and concurrently notify the applicant and the medical products administrative department of the province, autonomous region, or municipality in the place where the applicant or production enterprise is located. In principle, the Center for Inspection shall complete the inspection work forty (40) business days prior to the expiry of the time limit for inspection, and report the inspection information, inspection results and other relevant materials to the CDE. Drug registration examination shall include standard review and sample examination.

The review period for an application for drug marketing authorization shall be 200 business days. Within this two hundred (200) business days period, the review period for the procedures for prioritized review and approval shall be one hundred and thirty (130) business days, and the review period for the procedures for prioritized review and approval for clinically and urgently needed overseas-marketed drug for a rare disease shall be seventy (70) business days.

Reform of Evaluation and Approval System for Drugs

In August 2015, the State Council promulgated the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment (《關於改革藥品醫療器械審評審批制度的意見》) (the "**Reform Opinions**"), which provides a framework for reforming the evaluation and approval system for drugs and indicates enhancing the standard of approval for drug registration and accelerating the evaluation and approval process for innovative drugs.

In November 2015, the CFDA promulgated the Announcement on Certain Policies for Drug Registration, Evaluation and Approval (《關於藥品註冊審評審批若干政策的公告》) (the "**Certain Policies Announcement**"), which further clarifies the measures and policies on simplifying and accelerating the approval process on the basis of the Reform Opinions.

Pursuant to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA in March 2017 and came into effect in May 2017, the clinical trial approval decisions on drugs (including domestic and imported) can be directly made by the CDE in the name of the CFDA; decisions on approval of drug supplementary applications (including domestic and imported); decisions on approval of re-registration of imported drugs.

The Evaluation and Approval Procedures for Breakthrough Therapeutic Drugs (Trial) (《突破性治療藥物審評工作程序(試行)》), the Evaluation and Approval Procedures for Conditionally Approved Drugs (Trial) (《藥品附條件批准上市申請審評審批工作程序(試行)》) and The Preferential Evaluation and Approval Procedures for Drug Marketing Authorization (Trial) (《藥品上市許可優先審評審批工作程序(試行)》) promulgated by the NMPA in July 2020 and came into effect in July 2020, replace the Opinions on Implementing Priority Review and Approval to Encourage Drug Innovation (《關於鼓勵藥品創新實行優先審評審批的意見》) promulgated by the CFDA in December 2017 and came into effect in December 2017, which further clarified the Accelerating Registration Procedures for Drugs.

Administrative Protection and Monitoring Periods for New Drugs

According to the Implementing Rules for PRC Drug Administration Law (《中華人民共和國藥品管理法實施條例》) issued on December 6, 2024 and the Reform Plan for Registration Category of Chemical Drugs (《化學藥品註冊分類改革工作方案》) issued on March 4, 2016, the NMPA may, for the purpose of protecting public health, provide for an administrative monitoring period of five years for new Category 1 drugs approved to be manufactured, commencing from the date of approval, to continually monitor the safety of those new drugs.

Regulations on International Multi-Center Clinical Trials and Acceptance of Overseas Clinical Trial Data

According to the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》), ("**the Multi-Center Clinical Trial Guidelines**"), promulgated by the NMPA on January 30, 2015 and came into effect from March 1, 2015, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicants plan to implement the international multi-center clinical trials in the PRC, the applicants shall comply with relevant laws and regulations, such as the PRC Drug Administration Law, the Implementing Regulations of the PRC Drug Administration Law and the Administrative Measures for Drug Registration, execute the Good Clinical Practice, make reference to universal international principles such as the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH), and comply with the laws and regulations of the countries involved in the international multi-center clinical trials. Where the applicants plan to use the data derived from the international multi-center clinical trials for approval of a drug registration in the PRC, it shall involve at least two countries, including China, and shall satisfy the requirements for clinical trials set forth in the Multi-Center Clinical Trial Guidelines and other related laws and regulations.

According to the Opinions on Deepening the Reform of the Evaluation and Approval System and Inspiring Innovation of Drugs and Medical Devices, clinical trial data obtained in an international multi-center that conforms to China's requirements for registration of drugs and medical devices can be used for the application for registration in China.

According to the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) promulgated by the NMPA on July 6, 2018, the basic principles for accepting overseas clinical trial data include: (i) applicants shall ensure the authenticity, integrity, accuracy and trace-ability of overseas clinical trial data; (ii) the process of generating overseas clinical trial data shall comply with the relevant requirements of the ICH-GCP; (iii) applicants shall ensure the scientific design of overseas clinical trials, the compliance of clinical trial quality management system with the requirements, and the accuracy and integrity of statistical analysis of data; and (iv) to ensure that the clinical trial design and statistical analysis of the data are scientific and reasonable, for the drugs with simultaneous R&D at home and abroad and forthcoming clinical trials in China, the applicants may, prior to implementing registrational clinical trials, contact the CDE to ensure the compliance of registrational clinical trial's design with the essential technical requirements for drug registration in China.

Marketing Authorization Holder System

Pursuant to the Drug Administration Law and the Administrative Measures for Drug Registration, the state implements the drug marketing authorization holder system for drug management. After obtaining a drug registration certificate, an applicant shall be the drug marketing authorization holder. During the validity period, a holder of a drug registration certificate shall continue to ensure the safety, effectiveness and quality controllability of the marketed drug, and apply for re-registration of the drug six months prior to the expiry of the validity period.

The drug marketing authorization holder shall proactively carry out post-marketing research on drugs, further confirm the safety, effectiveness and quality controllability of drugs, and strengthen the continuous management of marketed drugs. Where a drug registration certificate and its annex require the marketing authorization holder to carry out relevant research work after the drug is marketed, the marketing authorization holder shall complete the research within the prescribed time limit and file a supplementary application, undergo recordation formalities or report as required. After a drug is approved for marketing, the marketing authorization holder shall continue to conduct research on drug safety and effectiveness, undergo recordation formalities in a timely manner or file a supplementary application for revising the instructions according to the relevant data, and continuously update and improve the instructions and labels. According to the duties, the medical products administrative department may require the marketing authorization holder to revise the instructions and labels based on the monitoring of adverse drug reactions and the postmarketing reevaluation results of the drug.

The marketing authorization holder shall apply for re-registration six months prior to the expiry of the validity period of the drug registration certificate. An application for re-registration of a domestically produced drug shall be filed by the marketing authorization holder with the medical products administrative department of the province, autonomous region, or municipality directly under the Central Government, and an application for re-registration of a drug produced overseas shall be filed by the marketing authorization holder with the Center for Drug Evaluation.

National Reimbursement Drug List of China (the "NRDL")

Participants in the National Health Insurance Scheme and their employers (if any) have to pay a monthly premium. Participants may be reimbursed for all or part of the cost of medicines included in the medical insurance catalogue. The Notice on Provisional Measures for the Administration of the Scope of Medicines in the Basic Medical Insurance for Urban Workers (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》) (or the Medical Insurance Notice), jointly issued by the Ministry of Labor and Social Security of the PRC and the NDRC and other governmental organizations on May 12, 1999, stipulates that the medicines included in the medical insurance catalogue must be clinically necessary, safe and effective, reasonably priced, convenient to use and the supply of which can be guaranteed by the market.

The NRDL for Basic Medical Insurance, Work 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》) sets out the standards for payment of medicines by the basic medical insurance, work injury insurance and maternity insurance funds. The National Healthcare Security Administration of the PRC and other governmental organizations have the authority to determine the drugs to be included in the NRDL. Drugs listed in the NRDL are divided into two parts: Class A and Class B. Class A drugs are widely used for clinical treatment, with favourable efficacy and lower prices than their counterparts, while Class B drugs are used for clinical treatment, with favourable efficacy and slightly higher prices than Class A drugs.

On December 5, 2025, the NHSA and the Ministry of Human Resources and Social Security of the PRC released the latest NRDL (implemented on January 1, 2026), which has been expanded to cover a total of 3,253 drugs. Inclusion in the NRDL will generally result in increased sales volume and lower drug prices (which are determined on a case-by-case basis and negotiated based on factors such as the initial drug price).

On July 30, 2020, the NHSA issued the Provisional Measures for the Administration of Medicines for Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) ("**Measures for the Administration of the NRDL**"), which came into effect on September 1, 2020. The Measures for the Administration of the NRDL provides guidance on the inclusion and adjustment of the NRDL and the payment, management and supervision of basic medical insurance. According to the Measures for the Administration of the NRDL, a dynamic adjustment mechanism shall be established for the NRDL, which shall be adjusted annually in principle.

National Essential Drug List of China (the "NEDL")

On August 18, 2009, the MOH and eight other ministries and commissions in the PRC issued the Provisional Measures on the Administration of the NEDL (《國家基本藥物目錄管理辦法(暫行)》), which was revised on February 13, 2015 by the Notice on Issuing the Measures on the Administration of the NEDL (《關於印發國家基本藥物目錄管理辦法的通知》), and the Guidelines on the Implementation of the NEDL System (《關於建立國家基本藥物制度的實施意見》), which aims to promote essential medicines sold to consumers at fair prices in the PRC and ensure that the general public in the PRC has equal access to the drugs contained in the NEDL. On September 13, 2018, the General Office of the State Council issued the Opinions of the General Office of the State Council on Improving the National Essential Drug System (《國務院辦公廳關於完善國家基本藥物制度的意見》). The NHC and the National Administration of Traditional Chinese Medicine promulgated the NEDL (2018 version) (《國家基本藥物目錄(2018年版)》) on September 30, 2018, replacing the NEDL (2012) (《國家基本藥物目錄(2012年版)》) which was promulgated on March 13, 2013. According to these regulations, basic healthcare institutions funded by the government, which primarily include county-level hospitals, county-level Chinese medicine hospitals, rural clinics and community clinics, shall store up and use drugs listed in the NEDL. The drugs listed in NEDL shall be purchased by centralized tender process and shall be subject to the price control by the NDRC. Remedial drugs in the NEDL are all listed in the Medical Insurance Catalog and the entire amount of the purchase price of such drugs is entitled to reimbursement.

Gathering, Collection and Filing of Human Genetic Resources

Pursuant to the Regulations on the Management of 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》) (the "**HGR Regulations**") promulgated by the State Council in May 2019, newly amended in March 2024 and came into effect on May 1, 2024, the state supports the rational use of human genetic resources for scientific research, development of the biomedical industry, improvement of diagnosis and treatment technology, improvement of China's ability to guarantee biosafety and improvement of the level of people's health. Foreign organizations, individuals and institutions established or actually controlled by them shall not gather or preserve Chinese genetic resources within the territory of the PRC, or provide Chinese genetic resources to foreign countries. In addition, the gathering, preservation, utilization and external provision of Chinese genetic resources shall (i) conform to ethical principles and conduct ethical review in accordance with relevant regulations; (ii) respect the privacy of the human genetic resource providers, obtain their prior consents, and protect their lawful rights and interests; (iii) comply with technical specification promulgated by the healthcare department of the State Council.

On October 17, 2020, SCNPC promulgated Biosecurity Law of the PRC (《中華人民共和國生物安全法》), and latest amended and came into effect on April 26, 2024. As per the Biosecurity Law, the research and development activities of high-risk and medium-risk biotechnology shall be carried out by a legal person organization established within the territory of China, upon obtaining the approval or record-filing. The establishment of a pathogenic microorganism laboratory shall be subject to approval or record-filing requirements in accordance with the law.

The Ministry of Science and Technology promulgated the Implementation Rules for the Administrative Regulation on Human Genetic Resources (《人類遺傳資源管理條例實施細則》) (the "**Implementation Rules**") on May 26, 2023 and came into effect on July 1, 2023. The Implementation Rules has further provided detailed implementation regulations for the administration of human genetic resources of the PRC, including but not limited to the following: listing the situations where security review may be required, which shall include: (i) human genetic resource information of important genetic families; (ii) human genetic resources information of specific regions, (iii) exome sequencing and genome sequencing information resources with a population greater than 500 cases; and (iv) other situation that may affect the public health, national security and social public interest of the PRC.

Good Clinical Practice Certification and Compliance with the Good Clinical Practice (GCP)

To improve the quality of clinical trials, the NMPA and NHC promulgated the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) (the "**GCP**") in April 2020 and came into effect on July 1, 2020, which aims to ensure that the clinical trials of drugs are standardized and the results are scientific and reliable, protecting the rights and safety of human subjects.

Laws and Regulations in Relation to Drug Manufacturer

Drug Manufacturing Permit

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**") promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") in September 1984 and lastly amended in August 2019 and came into effect in December 2019, the state adopts an industry entry permit system for drug manufacturers. The conduct of drug manufacturing activities shall be approved and granted with a Drug Manufacturing License (《藥品生產許可證》) by the drug regulatory authority of the people's government at provincial, autonomous regional or municipal level. The Drug Manufacturing License shall indicate the validity period and the scope of production, and shall be reviewed for renewing upon expiration.

Good Manufacturing Practices

Pursuant to the Announcement on the Relevant Issues Concerning the Implementation of the Drug Administration Law of the PRC (《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》), promulgated by the NMPA on November 29, 2019, and the Drug Administration Law, the GMP and Good Supply Practice (GSP) certifications have been cancelled, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates are no longer issued. When engaging in drug manufacturing activities, a manufacturer shall comply with the GMP and establish a sound GMP management system, to ensure that the entire process of drug manufacturing maintain to meet the statutory requirements, and meet the GMP requirements enacted by the drug regulatory authority under the State Council in accordance with the law. The legal representative of and principal person in charge of a drug manufacturer are fully responsible for the drug manufacturing activities of the enterprise.

The Good Manufacturing Practices (《藥品生產質量管理規範》), promulgated by the Ministry of Health of the PRC (the "**MOH**", now known as the NHC) in March 1988, newly amended in January 2011 and came into effect on March 1, 2011, provided guidance for the quality management, organization and staffing, production premises and facilities, equipments, material and products, recognition and inspection, documentation maintenance, manufacture management, quality control and quality assurance, contractual manufacture and contractual inspection for the products, product delivery and recalls of a manufacturer in a systematical manner.

Other Laws and Regulations in Relation to Medical Industry

Basic Medical Insurance Policy

Pursuant to the Decision on the Establishment of the Urban Employee Basic Medical Insurance Programme (《關於建立城鎮職工基本醫療保險制度的決定》) promulgated by the State Council on December 14, 1998 and the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》) promulgated by the National Development and Reform Commission (the "**NDRC**"), the SDA and other authorities, came into effect on May 12, 1999, all employers in cities and towns, including enterprises (state-owned enterprises, collective enterprises, foreign-invested enterprises, private enterprises, etc.), institutions, public institutions, social organizations, private non-enterprise units and their employees are required to participate in basic medical insurance. Pursuant to the Guiding Opinions on the Pilot of Basic Medical Insurance for Urban Residents (《關於開展城鎮居民基本醫療保險試點的指導意見》) promulgated by the State Council on July 10, 2007, urban residents (not urban employees) in the pilot areas can voluntarily participate in the basic medical insurance for urban residents. Pursuant to the Opinions of the State Council on the Integration of the Basic Medical Insurance System for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) promulgated by the State Council on January 3, 2016, a unified basic medical insurance system for urban and rural residents was established, including the existing urban residents' medical insurance and all the insured personnel of New Rural Cooperative Medical System, covering all urban and rural residents except those who should be covered by the employee's basic medical insurance.

Medical Insurance Catalogue

Pursuant to the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》), the scope of medical insurance coverage for pharmaceutical products needs to be managed through the formulation of the Medical Insurance Catalogue. After several adjustments, the currently effective one is the NRDL for Basic Medical Insurance, Maternity Insurance and Work Injury Insurance (2025) (《國家基本醫療保險、生育保險和工傷保險藥品目錄》(2025年)) (implemented on January 1, 2026).

Drug Price

Pursuant to the Drug Administration Law, for drug products with market-regulated prices in accordance with the law, the drug marketing authorization holder, the drug manufacturer, the drug distributor and medical institution shall determine the price pursuant to the principles of fairness, reasonableness, integrity and trustworthiness as well as quality for value in order to supply drug users with reasonably priced drug products; and shall comply with the requirements relating to drug price administration promulgated by the State Council's pricing authorities, determine and clearly mark the retail prices of drug products. Pursuant to the Notice on Issuing Opinions on Promoting Drug Price Reform ((《關於印發〈推進藥品價格改革意見〉的通知》) jointly promulgated by NDRC, NHC, the Ministry of

Human Resources and Social Security, Ministry of Industry and Information Technology, the Ministry of Finance, the MOFCOM and the CFDA on May 4, 2015 and came into effect on June 1, 2015.

Advertising of Pharmaceutical Products

Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which promulgated by SAMR in December 2019 and came into effect on March 1, 2020, advertisements for drugs, medical devices, health food and formula food for special medical purposes shall be true and legitimate, and shall not contain any false or misleading contents. Holders of registration certificates or filing certificates of drugs, medical devices, health food and formula food for special medical purposes as well as the production enterprises and operating enterprises authorized by such holders of certificates shall be applicants for advertising (the "**Applicants**").

Applicants may entrust agents to apply for the review of advertisements for drugs, medical devices, health food and formula food for special medical purposes.

Insert Sheet, Labels and Packaging of Pharmaceutical Products

Pursuant to the Measures for the Administration of the Insert Sheets and Labels of Drugs (《藥品説明書和標籤管理規定》), which promulgated by SFDA and came effective on June 1, 2006, the insert sheets and labels of drugs should be reviewed and approved by the SFDA. A drug insert sheet should include the important scientific data, conclusions and information concerning drug safety and efficacy in order to direct the safe and rational use of drugs. The inner label of a drug should bear such information as the drug's name, indication or function, strength, dose and usage, production date, batch number, expiry date and drug manufacturer, and the outer label of a drug should indicate such information as the drug's name, ingredients, description, indication or function, strength, dose and usage, adverse reaction, contraindications, precautions, storage, production date, batch number, expiry date, approval number and drug manufacturer. Pursuant to the Measures for The Administration of Pharmaceutical Packaging (《藥品包裝管理辦法》) which came effective on September 1, 1988, pharmaceutical packaging must comply with the national and professional standards. If no national or professional standards are available, the enterprise can formulate its standards and put into implementation after obtaining the approval of the food and drug administration and bureau of standards at provincial level. The enterprise shall reapply with the relevant authorities if it needs to change its packaging standard. Drugs that without packing standards must not be sold or traded (except for drugs for the military).

Administration of Pathogenic Microorganism Laboratories

According to the Regulations on the Bio-safety Management of Pathogenic Microbe Laboratories (《病原微生物實驗室生物安全管理條例》) promulgated by State Council and latest amended in December 2024, the pathogenic microorganism laboratories are classified into Level 1, Level 2, Level 3 and Level 4 in accordance with its biosafety level for pathogenic microorganisms and the national standards for the bio-safety. Laboratories at Bio-safety Level 1 and Level 2 may only conduct experimental activities relating to any highly pathogenic microbes that are explicitly permitted for such laboratories under the official Catalogue of Pathogenic Microorganisms. Laboratories at Bio-safety Level 3 and Level 4 shall meet certain requirements to conduct experimental activities relating to any highly pathogenic microbes.

Laws and Regulations in Relation to Intellectual Property

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**"), which was promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the "**Implementation Rules**"), promulgated by the State Council on June 15, 2001 and latest amended on December 11, 2023 and came into effect on January 20, 2024. The Patent Law and the Implementation Rules provide for three types of patents, namely "invention," "utility model" and "design." The duration of a patent right for "invention" is twenty (20) years; the duration of a patent right for "utility model" is ten (10) years; and the duration of a patent right for "design" is fifteen (15) years, all of which duration are from the date of application. According to the Patent Law, for the purpose of public health, the patent administrative department of the State Council may grant mandatory licensing for patented drugs manufactured and exported to countries or regions which comply with the provisions of the relevant international treaty participated by the PRC.

The newly amended Patent Law introduces patent extensions to patents of new drugs that launched in the PRC, and stipulates that the Patent Administration Department under the State Council shall, upon request of the patentee, extend the patent term of relevant invention patents of the new drug that is approved to be listed on the market in China, to compensate for the time spent for the review and examination and approval of the listing of a new drug on the market.

The compensated extension shall not exceed five (5) years, and the total valid patent term after the new drug is approved for the market shall not exceed fourteen (14) years.

Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were promulgated by the State Council on August 3, 2002 and latest amended on April 29, 2014 and came into effect on May 1, 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks. The period of validity for each renewal of registration shall be ten (10) years as of the next day of the previous period of validity.

Domain Names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the Ministry of Industry and Information Technology (the "**MIIT**"), on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as amended and effective as of April 23, 2019, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others' trade secrets.

The Company Law and Regulations

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was amended by the SCNPC on December 29, 2023 and became effective on July 1, 2024, provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in PRC.

Regulations in Relation to Foreign Direct Investment

Since January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") promulgated by the National People's Congress (the "**NPC**") has come into effect. While the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law of the PRC and other laws. The PRC government will implement the management system of pre-entry national treatment and the Negative List for foreign investment abolished the original approval and filing administration system for the establishment and change of foreign-invested enterprises. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Revision) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the NDRC and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024, which lists the special management measures for foreign investment access for industries regulated by the Negative List, such as equity requirements and senior management requirements. While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM.

The foreign investment information reporting is subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the State Administration for Market Regulation, which came into effect on January 1, 2020. According to the Foreign Investment Information Reporting Method, the MOFCOM is responsible for coordinating and guiding the reporting of foreign investment information nationwide. The competent commercial department of the local people's government at or above the county level, as well as the relevant agencies of the Pilot Free Trade Zone and the National Economic and Technological Development Zone, are responsible for reporting information on foreign investment in the region. Foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System and the reporting methods include initial reports, change reports, cancellation reports, and annual reports. Foreign investors who establish foreign invested enterprises in China or acquire domestic

non-foreign-invested enterprises through equity merger and acquisition shall submit initial reports through the enterprise registration system when applying for the registration of the establishment of foreign-invested enterprises or applying for the registration of the change of the acquired enterprises. If the change in the information of initial reports involves registration or filing of the change of enterprises, foreign-invested enterprises shall submit change reports through the enterprise registration system when applying for the registration or filing of change of enterprises. If the change in the information of initial reports does not involve registration or filing of the change of enterprises, foreign-invested enterprises shall submit change reports through the enterprise registration system within twenty (20) business days after the change. Foreign-invested listed companies may report information on changes in investors and their shareholdings only when the cumulative change in the foreign investors' shareholding ratio exceeds 5% or the foreign parties' shareholding or relative holding status have changed.

Regulations on The Security Review of Foreign Investment

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

Regulations in Relation to Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993 and latest amended on December 29, 2018 (the "**Product Quality Law**"), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any bodily injuries or damage to property other than the defective product itself resulting from the defects in the product. A seller shall be liable to compensate for any bodily injuries or damage to property of others caused by the defects in the product if such defects are attributable to the seller. A seller shall pay compensation if it fails to indicate neither the manufacturer nor the supplier of the defective product. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and coming into effect on January 1, 2021, where a patient suffers damage due to defects in drugs, he may seek compensation from the drug marketing authorization holder, producer or also from the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder or producer.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993 and latest amended on October 25, 2013 and came into effect on March 15, 2014 to protect consumers' rights when they purchase or use goods and accept services. All business operators must comply with this law when they manufacture or sell goods and/or provide services to customers. All business operators must pay high attention to protecting customers' privacy and must strictly keep confidential any consumer information they obtain during their business operations.

Regulations in Relation to Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021 and came into effect on September 1, 2021, is the basic law for governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities. Safety facilities of new building, rebuilding or expanding project (the "**construction project**") shall be designed, constructed and put into operation simultaneously with the main body of the project. Investment in safety facilities shall be included in the budget of the construction project.

Regulations in Relation to Environmental Protection and Fire Safety

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and latest amended on April 24, 2014 and came into effect on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and latest amended on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

Enterprises that engage in the activities of medical treatment, etc. that discharges sewage into urban drainage facilities shall apply to the relevant competent urban drainage department for the permit for discharging sewage into drainage pipelines under relevant laws and regulations, including the Regulations on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated on October 2, 2013 and came into force on January 1, 2014, and the Measures for the Administration of Permits for the Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which was promulgated on January 22, 2015 and last amended on December 1, 2022 and took effect on February 1, 2023.

According to the Administrative Measures on Pollutant Discharge Permit issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of biological drugs and products falls into the classification management scope for fixed source pollution permits.

According to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC in April 1998, last amended and effective on April 29, 2021, and the Interim Provisions on Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) (the "**Interim Provisions**") promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, and last amended on August 21, 2023, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction and construction projects shall undergo the fire protection design review and acceptance system.

Regulations in Relation to Prevention and Control of Occupational Diseases

The Prevention and Control of Occupational Diseases Law of the PRC (《中華人民共和國職業病防治法》), which was promulgated by the SCNPC on October 27, 2001 and latest amended on December 29, 2018 (the "**Prevention and Control of Occupational Diseases Law**"), is the basic law for the prevention and control of occupational diseases. According to the Prevention and Control of Occupational Diseases Law, budget for facilities for the prevention and control of occupational diseases of a construction project shall be included in the budget of the project and those facilities shall be designed, constructed and put into operation simultaneously with the main body of the project. The entity that takes charge of the project should carry out the assessment of the effectiveness of measures for the prevention and control of occupational diseases before the final acceptance of the construction project. In addition, employers shall take required administrative measures to prevent and control occupational diseases in work.

Regulations in Relation to Employment and Social Securities

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994 and latest amended on December 29, 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012 and came into effect on July 1, 2013, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees.

According to Social Security Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on 28 October 2010 and amended on 29 December 2018, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer to make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》), which was promulgated on 20 July 2018, commencing from 1 January 2019, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance shall be collected by the tax authorities.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), which was promulgated on 3 April 1999 and latest amended on 24 March 2019, employers are required to make contribution to housing provident funds for their employees. Where an employer fails to pay up housing provident funds, the housing provident fund administration center may order it to make payment within a prescribed time limit. If the employer still fails to do so, the housing provident fund administration center may apply to the court for compulsory enforcement of the unpaid amount.

Pursuant to Article 19 of the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases, promulgated on July 31, 2025 and effective as of September 1, 2025, any agreement between an employer and an employee, or any undertaking by an employee, to waive social insurance contributions shall be deemed invalid by the people's courts. If an employer fails to make social insurance contributions in accordance with the law, the employee is entitled to terminate the labor contract in accordance with Article 38 of the Labor Contract Law and claim economic compensation, which shall be supported by the people's courts.

Regulations in Relation to Information Security and Data Privacy

Data Security and Export

The NPCSC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), on June 10, 2021 (effective from September 1, 2021), for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data. Entities engaged in data processing activities shall, in accordance with laws and regulations, establish a sound full-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

According to the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) where the data handlers other than critical information infrastructure operators provide personal information (excluding sensitive personal information) overseas of not less than 100,000 but not more than one million individuals, or sensitive personal information of not more than 10,000 individuals, cumulatively since January 1 of the current year and up until the end of that year, such data handlers shall conclude a standard contract with overseas recipients or obtain authentication on personal information protection.

Articles 3 to 6 of the Provisions on Facilitating and Regulating Cross-Border Data Flows mainly provide the exemptions from applying for security assessment or authentication,and from entering into the standard contracts. Exemptions include, but are not limited to, international trade, cross-border transportation, academic cooperation, transactional manufacturing, marketing and other activities that do not involve personal information or important data.

Personal Information Protection

According to the Civil Code (《民法典》), personal information of natural persons is protected by law. If any organization or individual needs to obtain other people's personal information, they should obtain it in accordance with the law and ensure the security of the information. They must not illegally collect, use, process, or transmit other people's personal information, and must not illegally buy, sell, provide, or disclose the information. The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) promulgated by the NPCSC on August 20, 2021 and implemented on November 1, 2021, further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the NPCSC on November 7, 2016 and effective on June 1, 2017, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and

obtain the consent of the person whose data is being collected. Network operators shall not collect personal information unrelated to the services they provide. Network operators should take technical measures and other necessary measures to ensure the security of the personal information they collect and prevent leakage, damage and loss of information. On October 28, 2025, the NPCSC issued the Decision on Amending the PRC Cybersecurity Law (《全國人民代表大會常務委員會關於修改〈中華人民共和國網絡安全法〉的決定》), which took effect on January 1, 2026. Pursuant to the amended PRC Cybersecurity Law, the violations of the PRC Cybersecurity Law shall be subject to more punishment.

Laws and Regulations in Relation to Anti-Bribery

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as amended and effective as of April 23, 2019, and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the SAIC on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

Pursuant to the Provisions on the Establishment of Adverse Records of Commercial Briberies in the Medicine Purchase and Sales Industry (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》), which was promulgated by the National Health and Family Planning Commission (currently the NHC) and came into effect on March 1, 2014, any medicine production and operation enterprises or agents that are involved in criminal, investigational or administrative procedures for commercial bribery will be listed in the adverse records of commercial briberies by the relevant government authorities, as a result of which, for two years from the date the list of adverse records of commercial briberies is published, (i) their products cannot be purchased by public medical institutions or medical and health institutions receiving financial subsidies within the relevant provinces, and (ii) the scores of their products in the centralized tender processes of public medical institutions or medical and health institutions receiving financial subsidies in other provinces will be reduced. As for those enterprises or agents listed in adverse records twice within five years, their products cannot be purchased by public medical institutions or medical and health institutions receiving financial subsidies throughout China for two years from the date the list of adverse records of commercial briberies is published.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the CIT Law, which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the CIT Law, which was promulgated by the State Council and was latest amended in April 2019, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for enterprise income tax.

Value-added Tax

Pursuant to the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值税法》), which was promulgated on December 25, 2024 and came into effect on. January 1, 2026 and the Regulations for the Implementation of the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值税法實施條例》), which was promulgated and came into effect on the same day, entities and individuals (including individual businesses) engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of China are the value-added tax ("**VAT**") payers. Sale of goods, services, intangible assets and immovables shall mean compensated transfer of ownership of goods and immovables, provision of services for compensation, and compensated transfer of ownership or use right of intangible assets.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部税務總局海關總署關於深化增值税改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the VAT rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

REGULATIONS ON FOREIGN EXCHANGE

Foreign Exchange Regulation

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

On November 19, 2012, the SAFE issued the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》), or the SAFE Circular 59, which came into effect on December 17, 2012 and was revised on May 4, 2015, October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 59 aims to simplify the foreign exchange procedure and promote the facilitation of investment and trade. According to the SAFE Circular 59, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, multiple capital accounts for the same entity may be opened in different provinces as well. Later, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of 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》) in February 2015, which was partially abolished in December 2019, prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

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 Raised by Domestic Enterprises Listed Overseas (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), promulgated on December 24, 2025 and effective on April 1, 2026, a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered (hereinafter referred to as the local bank) for overseas listing registration. In principle, funds raised by domestic enterprises through overseas listings shall be remitted back to the territory in a timely manner. Where such funds are retained overseas for the conduct of overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprise shall obtain the approval or filing documents from the business competent authorities before the date of completion of the overseas issuance or the over-allotment option and shall comply with relevant cross-border funds administration provisions. The purposes of funds raised through an overseas listing shall be consistent with the relevant contents set out in publicly disclosed documents (hereinafter referred to as publicly disclosed documents), such as the document or resolutions of the board of directors or shareholders' meetings. Any domestic shareholder who reduces their holdings must file a reduction registration with their bank either before or within 30 working days after the transaction.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19 promulgated on March 30, 2015, coming effective on June 1, 2015 and partially abolished on December 30, 2019 and March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been on-lent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or the SAFE Circular 16, which came into effect on the same day and partially amended on December 4, 2023 and effective since then. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties). However, there remain substantial uncertainties with respect to SAFE Circular 16's interpretation and implementation in practice.

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which became effective on the same date (except for Article 8.2, which became effective on January 1, 2020), and partially amended on December 4, 2023 and effective since then. The notice canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall conduct post spot checking in accordance with the relevant requirements.

REGULATIONS IN RELATION TO OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by the China Securities Regulatory Commission (the "**CSRC**") on February 17, 2023 and effective from March 31, 2023 (hereinafter referred to as the "**Trial Measures**"), where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Measures. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the People's Republic of China and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

REGULATIONS IN RELATION TO THE "FULL CIRCULATION" OF H SHARE

In accordance with the Guidelines for the Application by H-share Companies for "Full Circulation" of Unlisted Shares (《H股公司境內未上市股份申請「全流通」業務指引》) which was promulgated by the CSRC on 14 November 2019 and came into effect on the same date, which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員關於修改、廢止部分證券期貨制度文件的決定》), the term "full circulation" means the circulation of domestically unlisted shares (including domestically unlisted shares held by domestic shareholders prior to the listing abroad, additional domestically unlisted shares

issued domestically after listing abroad and unlisted shares held by foreign shareholders) of H-share companies on the Stock Exchange. On the premise of complying with relevant laws and regulations as well as policies governing state-owned asset management, foreign investment and industrial supervision, the shareholders of domestically unlisted shares may determine the number and proportion of shares under application for circulation through negotiation at their discretion and entrust a H-share company to file an application for "full circulation". After the domestically unlisted shares are listed for circulation on the Stock Exchange, they shall not be transferred back to Chinese Mainland. A shareholder of domestically unlisted shares may reduce or increase its holding of the shares involved that are circulating on the Stock Exchange according to relevant business rules. H share companies shall submit a report on the relevant information to the CSRC within 15 days from completion of re-registration of the shares involved in the application to China Securities Depository and Clearing Co., Ltd. (the "**CSDC**").

In accordance with the Notice on Promulgation of the Implementing Rules for "Full Circulation" of H-shares (《關於發佈<H股「全流通」業務實施細則〉的通知》) which was promulgated by CSDC and Shenzhen Stock Exchange on December 31, 2019 and came into effect on the same date, it shall apply to the relevant businesses involved in "full circulation" of H-shares, such as cross-border re-registration, custodian and maintenance of holding details, entrustment of transactions and order routing, settlement, management of clearing participants, services of nominee holders etc.

In accordance with the Notice of China Securities Depository and Clearing Co., Ltd Shenzhen Branch on the Release of China Securities Depository and Clearing Co., Ltd Shenzhen Branch H-shares "Full Circulation" Business Guidelines (《中國結算深圳分公司關於發佈〈中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南〉的通知》 which was promulgated by CSDC Shenzhen Branch on June 27, 2025 and came into effect on June 30, 2025, it specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. And China Securities Depository and Clearing (Hong Kong) Co., Ltd also promulgated the Guide to the Program for Full Circulation of H-shares (《中國證券登記結算(香港)有限公司H股「全流通」業務指南》) to specify the relevant escrow, custody, agent service of China Securities Depository and Clearing (Hong Kong) Co., Ltd, arrangement for settlement and delivery and other relevant matters.

OVERVIEW

Our Company was established by our founder, Dr. Pan, on August 17, 2017 as a limited liability company in Hangzhou under the laws of the PRC, and was converted into a joint stock limited liability company on September 8, 2023. Under Dr. Pan's leadership, we have developed our Core Product injectable ecnoglutide (XW003), being the world's first approved cAMP-biased GLP-1 receptor agonist for T2DM and overweight/obesity treatment in Chinese Mainland, according to Frost & Sullivan. For details of the biographical background and relevant industry experience of Dr. Pan, see "Directors and Senior Management".

KEY MILESTONES

The following table summarizes the key business development milestones since our inception:

Year	Milestone
2017	We were established in the PRC by Dr. Pan in August 2017.
	We conducted Series Pre-A Investment in September 2017.
2018	Our Beijing R&D Center was established in June 2018.
	We conducted Series A Investment in December 2018.
2020	We initiated the Phase I clinical trial for XW003 for obesity indication in Australia in March 2020.
	We conducted Series B Investment in October 2020.
	We obtained the clinical trial approval for XW003 for both T2DM and obesity indications in China in November 2020.
2021	We initiated the Phase II clinical trial for XW003 for T2DM in China in August 2021.
	We conducted Series C Investment in September 2021.
	We initiated the Phase II clinical trial for XW003 for obesity in Australia in November 2021.
2022	We conducted Series C+ Investment in March 2022.
	We initiated the Phase I clinical trial for XW004 for obesity in Australia in April 2022.
	We initiated the Phase I clinical trial for XW014 in the United States in September 2022.
2023	We conducted Series C++ Investment in March 2023.
	We initiated the Phase III clinical trial for XW003 for T2DM and obesity indications in January and April 2023, respectively.
2024	We entered into a license and collaboration agreement with HK inno.N Corporation for further development and commercialization of XW003 in Korea in April 2024.
	We primarily completed the Phase I clinical trial for XW004 for obesity indication in Australia in July 2024.

Year	Milestone
	We completed the Phase III clinical trial for obesity and T2DM indications for XW003 in China in July 2024.
	We entered into a license and collaboration agreement with Verdiva Bio Dev Limited in October 2024.
	We conducted Series D Investment in November 2024.
	We submitted the NDA for XW003 for T2DM and obesity indications in China to NMPA in November and December 2024, respectively.
2025	We published the Phase III clinical trial results of XW003 for obesity on *Lancet Diabetes & Endocrinology* in June 2025.
	We initiated the Phase II clinical trial of XW003 for moderate-to-severe obesity in China in July 2025.
	We initiated the Phase Ib clinical trial for XW003 for adolescent obesity in China in August 2025.
	We published the Phase III clinical trial results of XW003 for T2DM on *Lancet Diabetes & Endocrinology* in August 2025.
	We initiated the Phase Ib/IIa clinical trials of XW004 for the treatment of overweight/obesity in China in November 2025.
2026	We received the approval for XW003 for T2DM treatment from the NMPA in January 2026.
	We announced a strategic commercialization collaboration with Pfizer and granted Pfizer an exclusive commercialization right for injectable ecnoglutide (XW003) in Chinese Mainland in February 2026.
	We received the approval for XW003 for overweight/obesity treatment from the NMPA in March 2026.

OUR SUBSIDIARIES

As of the Latest Practicable Date, we had four subsidiaries. All of them had been wholly owned by the Company since their establishment and up to the Latest Practicable Date. Details of each of our subsidiaries are set out below:

Name of subsidiary	Place of incorporation	Registered capital/ Issued share capital	Date of incorporation and commencement of business	Principal business activities
Sciwind Beijing	PRC	RMB10,000,000	October 15, 2020	CMC and clinical development
Sciwind Shanghai	PRC	RMB10,000,000	December 6, 2021	Early research
Sciwind APAC	Australia	AUD21,500,088	May 3, 2019	Clinical development
Sciwind USA	The United States	USD26,800,000	October 26, 2020	Clinical development and business development

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1) Establishment of our Company

On August 17, 2017, our Company was established as a limited liability company in the PRC with an initial registered capital of RMB2,000,000. As of the establishment of our Company, we were held by the following Shareholders:

Shareholders	Registered capital subscribed	Corresponding equity interest in the Company
	(RMB)	*%*
Dr. Pan[(1)]	1,000,000	50.00
Beijing Junyida (北京君亦達)[(2)]	1,000,000	50.00
Total	**2,000,000**	**100.00**

Notes:

(1) Since the establishment of the Company and up to April 2020, by entering into a series of nominee shareholding agreements, Dr. Pan's entire direct equity interests in the Company were held through two Independent Third Parties, Li Naishi and Zhuang Yuyao (together, the "**Pan Nominees**"), each holding 30% and 20% equity interests in the Company. As advised by our PRC Legal Adviser, such nominee shareholding arrangements had been terminated and restorations were completed in April 2020.

(2) Beijing Junyida was established as a limited liability company in the PRC on June 5, 2017. Since its establishment and up to the Latest Practicable Date, Beijing Junyida was held by Dr. Pan and Kawin Technology as to 65% and 35% respectively. Kawin Technology is a biopharmaceutical company established in August 2008, and was listed on the Shanghai Stock Exchange (Stock code: 688687.SH) in February 2021. According to Kawin Technology, it has been primarily engaged in the field of liver diseases, focusing on antiviral and immunomodulatory products, including functional cure therapies for hepatitis B, with innovative drugs at its core. Dr. Pan joined Kawin Technology in 2011 and served as its deputy general manager responsible for R&D. With his accumulated scientific insights into GLP-1 candidates, and given the divergence between Kawin's antiviral core focus and his interest in metabolism-related drug innovation, Dr. Pan intended to establish his own business focusing on the development of innovative drugs in the fields of metabolism, particularly, long-acting GLP-1 drugs. As such, recognising Dr. Pan's scientific expertise and leadership, and acknowledging that the GLP-1 projects would be outside of its own strategic focus, Dr. Pan and Kawin Technology jointly established Beijing Junyida in June 2017.

Junyida Nominee Arrangement

Since time of the establishment of Beijing Junyida and up to April 2020, by entering into a series of nominee shareholding agreements, Dr. Pan's equity interests in Beijing Junyida, representing 65% of Beijing Junyida's equity interests, were held through Yang Liu (our Director), Li Wei, Li Yan and Fu Chunmei (collectively, the "**BJ Nominees**"), each being our employees at the relevant time. As advised by our PRC Legal Adviser, such nominee shareholding arrangements had been terminated and restorations were completed in April 2020.

At the time of establishment of Beijing Junyida and the Company, Dr. Pan was still an employee and a senior management member of Kawin Technology. To facilitate administrative handling of Dr. Pan's transition and for administrative convenience, Dr. Pan decided to temporarily hold his equity interests in the Company and Beijing Junyida through nominee arrangements. The Pan Nominees and the BJ Nominees were either personal acquaintances of Dr. Pan or employees of the Group. Pursuant to the nominee shareholding agreements entered in respect of the equity interests of the Company and Beijing Junyida, Dr. Pan, as the beneficial owner of relevant equity interests in the Company and Beijing Junyida, was entitled to shareholder rights and assumed shareholder obligations in accordance with the PRC Company Law and the respective articles of association of the Company and Beijing Junyida, including the voting rights attached to the relevant shares, the rights to dispose the relevant shares and rights to receive dividends of the Company and Beijing Junyida. As of the Latest Practicable Date, there had been no legal proceedings among Dr. Pan or his nominees in respect of the historical nominee shareholding arrangements.

Based on the foregoing facts and upon verification, the PRC Legal Adviser of the Company is of the view that the historical nominee shareholding arrangements have been terminated by mutual consent of all relevant parties, that no existing or potential disputes arise therefrom, and that no parties involved were prohibited from shareholding under the then applicable PRC rules and regulations. Accordingly, such arrangements complied with the then applicable PRC rules and regulations (including not only mandatory laws), such as the Contract Law of the People's Republic of China (expired on January 1, 2021), the Company Law of the People's Republic of China, and the Securities Law of the People's Republic of China.

(2) Pre-[REDACTED] Investments

See "— Pre-[**REDACTED**] Investments" below for further information of shareholding changes in connection with the Pre-[**REDACTED**] Investments.

(3) Conversion into a joint stock company

Pursuant to the shareholders' resolutions and the promoters' agreement dated August 16, 2023, the then existing Shareholders of our Company agreed to covert our Company into a joint stock limited liability company with a registered capital of RMB20,974,763 divided into 20,974,763 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on September 8, 2023 when our Company obtained a new business license issued by Hangzhou Qiantang District Market Supervision and Administration Bureau (杭州市錢塘區市場監督管理局).

For the shareholding as of the Latest Practicable Date, see "— Capitalization" in this section.

(4) [REDACTED] before the [REDACTED]

Pursuant to the resolutions of the Shareholders dated September 16, 2025, the Shares will be [**REDACTED**] on a [**REDACTED**] basis immediately prior to the [**REDACTED**], and the nominal value of the Shares will be changed from RMB1.00 each to RMB[**REDACTED**] each (the "[**REDACTED**]").

Immediately after the [**REDACTED**] and prior to the [**REDACTED**], the share capital of the Company will be [**REDACTED**] Shares with a nominal value of RMB[**REDACTED**] each. See "— Capitalization" for details of the shareholding structure of our Company.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

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

REASONS FOR THE [REDACTED]

Our Company is seeking a [**REDACTED**] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company's business, to strengthen our Company's working capital and to further raise our business profile and global presence. For further details of our future plans, see "Future Plans and Use of [**REDACTED**]".

PRE-[REDACTED] EQUITY INCENTIVE PLANS

In recognition of the contributions of our employees and to motivate our staff, attract and retain talents, enhance teamwork and drive our Group's sustainable, steady and rapid development, our Company adopted three equity incentive plans in August 2020, December 2021 and September 2025, respectively (the "**Pre-[REDACTED] Equity Incentive Plans**"). As of the Latest Practicable Date, all the awards under the Pre-[**REDACTED**] Equity Incentive Plans have been vested, and, as a result, the grantees held the partnership interests of our Employee Incentive Platforms, subject to terms and conditions under the partnership agreements. The terms of the Pre-[**REDACTED**] Equity Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-[**REDACTED**] Equity Incentive Plans do not involve the grant of options or awards after the [**REDACTED**].

As of the Latest Practicable Date, the Company established three Employee Incentive Platforms, namely Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida, to implement the Pre-[**REDACTED**] Equity Incentive Plans, which held 5.84%, 1.10% and 4.97% of the issued Shares, respectively. Beijing Yangyuan, a limited liability company incorporated in the PRC and wholly owned by Dr. Pan, as the sole general partner of each of the Employee Incentive Platforms, is responsible for the administration of each Employee Incentive Platform and may exercise the voting rights attaching to the Shares held by them, in accordance with the partnership agreements entered in to among the partners of each Employee Incentive Platform. Save as disclosed below, none of the Company's Directors, senior management and employees hold 30% or more of limited partnership interest in each of the Employee Incentive Platforms.

Beijing Heweida was established in the PRC as a limited partnership on April 15, 2020. As of the Latest Practicable Date, Beijing Yangyuan, a wholly-owned subsidiary of Dr. Pan, as the sole general partner, held approximately 7.79% partnership interests therein. The limited partners of Beijing Heweida include (i) Dr. Pan, our executive Director, chairman of the Board and general manager, holding approximately 74.50% partnership interests therein, (ii) Li Yao (李堯), our executive Director and deputy general manager, holding approximately 3.69% partnership interests therein, (iii) Yang Liu (楊柳), our executive Director and project director, holding approximately 2.58% partnership interests therein, (iv) Fu Chunmei (付春梅), a supervisor of Shanghai Sciwind, holding approximately 1.85% partnership interests therein, and (v) the other eight current employees of our Group who are not the Directors, senior management or connected persons of our Company, holding approximately 9.60% partnership interests in aggregate.

Shanghai Xiankeda was established in the PRC as a limited partnership on July 30, 2021. As of the Latest Practicable Date, Beijing Yangyuan, as the general partner, held approximately 5.28% partnership interest in Shanghai Xiankeda. Shanghai Xiankeda had 30 limited partners, including (i) Lan Bo (蘭博), the supervisor of Beijing Sciwind, holding approximately 4.90% partnership interests in Shanghai Xiankeda, and (ii) other 29 current employees of the Company who are not the Directors, senior management or connected persons of our Company, holding approximately 89.82% partnership interests in Shanghai Xiankeda in aggregate.

Hangzhou Shiweida was established in the PRC as a limited partnership on November 10, 2021. As of the Latest Practicable Date, Beijing Yangyuan, a wholly-owned subsidiary of Dr. Pan, as the sole general partner, beneficially owned approximately 31.80% partnership interest in Hangzhou Shiweida. The limited partners of Hangzhou Shiweida include (i) Wu Xinle (吳心樂), our executive Director and chief scientific officer, holding approximately 14.55% partnership interests in Hangzhou Shiweida, (ii) Han Baolei (韓葆磊), our executive Director and deputy general manager, holding approximately 5.21% partnership interests therein, (iii) Tong Jinling (童金玲), our Board secretary, director of external affairs and joint company secretary, holding approximately 4.34% partnership interests therein, (iv) Yu Bing (余兵), our financial director, holding approximately 3.47% partnership interests therein, (v) Li Li (李莉), the spouse of Dr. Pan, holding approximately 3.47% partnership interests therein, (vi) Li Yao (李堯), our executive Director and deputy general manager, holding approximately 2.17% partnership interests therein, (vii) Fu Chunmei (付春梅), a supervisor of Shanghai Sciwind, holding approximately 0.43% partnership interests therein, (viii) Yang Liu (楊柳), our executive Director and project director, holding approximately 0.43% partnership interests therein, and (ix) other 16 current employees of our Group, who are not the Directors, senior management or connected persons of our Company, holding approximately 34.13% partnership interests in Hangzhou Shiweida in aggregate.

All awards under the Pre-[**REDACTED**] Equity Incentive Plans will be granted prior to [**REDACTED**] Given the underlying Shares under the Pre-[**REDACTED**] Equity Incentive Plans had already been issued, there will not be any dilution effect to the issued share capital at our Company. No further award under the Pre-[**REDACTED**] Equity Incentive Plans will be granted after the [**REDACTED**]. For more details, please see "Statutory and General Information — Pre-[**REDACTED**] Equity Incentive Plans."

PRE-[REDACTED] INVESTMENTS

Overview

We underwent the following rounds of Pre-[**REDACTED**] investments, details of which are set forth below.

Round	Form of investment	Date of agreement	Date of last payment at consideration	Investor(s)[1]	Number of registered capital/ Shares involved	Consideration *(approximation)*	Post-money valuation[2] *(approximation)*	Cost per Share[2] *(approximation)*	[REDACTED] to the [REDACTED][3] *(approximation)*
Series Pre-A Investment[4]	Subscription of registered share capital	September 2017 and January 16, 2018	April 27, 2018	Jiaxing Danqing and Haibang Yigu	RMB857,141	RMB60 million	RMB200 million	RMB1.92	[**REDACTED**]%
Series A Investment[5]	Subscription of registered share capital	December 13, 2018	July 16, 2020[5]	Jiaxing Danqing, Kawin Technology, Healthy Growth, Legend Xinkang and Horgos Lianrui	RMB1,129,568	RMB170 million	RMB600 million	RMB4.12	[**REDACTED**]%
Series B Investment[6]	Subscription of registered share capital	October 10, 2020	January 27, 2021	LYFE Snake, Imeik, Haibang Boyuan, Healthy Growth and Legend Xinkang	RMB2,500,000	RMB250 million	RMB1,250 million	RMB6.25	[**REDACTED**]%
Series C Investment[7]	Equity transfer from existing shareholder	September 20, 2021	October 19, 2021	Panorama	RMB357,143	USD7.1 million	N/A	N/A	N/A
	Subscription of registered share capital	September 20, 2021	October 25, 2021	Panorama, Winner Delight, LVC Fund III, Shanghai Tanying and Shanghai Leyong	RMB3,021,288	USD68.7 million	USD358.7 million	USD1.42	[**REDACTED**]%
Series C+ Investment[8]	Subscription of registered share capital	March 14, 2022	April 7, 2022	Linzhi Yongzheng, Bright Gallant and Winner Delight	RMB2,012,295	USD60 million	USD540 million	USD1.86	[**REDACTED**]%
Series C++ Investment[9]	Subscription of registered share capital	March 1, 2023	May 17, 2023	LAV Ordovician, Suzhou Lirun, Linzhi Yongzheng, Winner Delight, Suzhou Paiyi and Haibang Boyuan	RMB2,033,774	RMB410 million	RMB4,228.4 million	RMB12.60	[**REDACTED**]%
2023 Equity Transfers[10]	Equity transfer from existing shareholder	June 18, 2023; June 30, 2023; and July 3, 2023	August 21, 2023	Kingdom Team, Shanghai Tanying, Linzhi Yongzheng, Suzhou Paiyi and Hengqin Xule	RMB1,298,739	RMB234.3 million	N/A	N/A	N/A
Series D Investment[11]	Share transfer from existing shareholder	November 11, 2024	December 13, 2024	Hanhai Information, Guangxi Tencent and SSF YRD Investment	RMB1,558,450	RMB212.5 million	N/A	N/A	N/A
	Subscription of Shares				RMB2,228,583	RMB467.5 million	RMB4,867.5 million	RMB13.11	[**REDACTED**]%

Notes:

(1) For the full legal names and other details on the Pre-[**REDACTED**] Investors, see "— Information about our Pre-[**REDACTED**] Investors" in this section.

(2) The post-money valuation of the Company equals the total consideration paid by the Pre-[**REDACTED**] Investors in each round of the Pre-[**REDACTED**] Investments divided by their respective shareholding percentage immediately following their investment.

The cost per Share paid by each of the Pre-[**REDACTED**] Investors was calculated based on the amount of investment made by the relevant Pre-[**REDACTED**] Investors and number of Shares held by them immediately before the completion of the [**REDACTED**], which was adjusted to reflect the subsequent capital reorganization including the conversion of capital reserve to registered share capital of our Company and assuming that the [**REDACTED**] is completed, as applicable.

The Company's valuation at each round of Pre-[**REDACTED**] Investments was determined at arm's length negotiations with reference to, among others (i) the background of the relevant Pre-[**REDACTED**] Investors; (ii) the prospect, development and the milestone achieved for various products at the material time; and (iii) the then market conditions at each round of Pre-[**REDACTED**] Investments.

Set out below are the key factors that contribute to the change in valuation between each round of Pre-[**REDACTED**] Investment:

(i) The increase in the Company's post-money valuation from the Series Pre-A Investment to the Series A Investment was primarily driven by the completion of the core patent application, the achievement of pre-toxicology experiments of our Core Product, XW003, the establishment of its production process and preparation of the first batch of its reference standards.

(ii) The increase in the Company's post-money valuation from the Series A Investment to the pre-money valuation of Series B Investment was primarily driven by the progress in the development of our Core Product, XW003, specifically the commencement of Phase I clinical trials in Australia and the advancement of its obesity and T2DM indications to the IND application stage in China.

(iii) The increase in the Company's post-money valuation from the Series B Investment to the pre-money valuation of Series C Investment was primarily driven by the progress in the development of our Core Product, XW003, specifically the commencement of Phase II clinical trial in China for T2DM.

(iv) The increase in the Company's post-money valuation from the Series C Investment to the pre-money valuation of Series C+ Investment was primarily attributed to the initiation of the Phase II clinical trial for obesity indication of XW003 in Australia, as well as XW004 having obtained ethical approval for Phase I clinical trial in Australia.

(v) Despite the Company's achievement of multiple significant milestones, including: (i) the commencement of Phase II clinical trial for XW003 for obesity in Australia, and the excellent results from its Phase II trial for T2DM indication in China and Phase III trials for both T2DM and obesity indications in China, and (ii) the excellent results from the Phase I clinical trial for XW004 in Australia, the Cost per Share of the Series C+ Investment, Series C++ Investment and Series D Investment remained largely unchanged, primarily due to market condition, such as the overall downturn in the broader market environment in light of the COVID-19 pandemic and a general decline in the stock performance of healthcare companies at the material time.

(vi) Having considered the following factors, the Company's post-money valuation from the Series D Investment to the proposed [**REDACTED**] valuation has increased:

(a) Steady advancement of Core Product XW003 toward commercialization. BLAs for T2DM and overweight/obesity in China were approved in January and March 2026, respectively.

(b) Expansion of indications for XW003 through multiple clinical programs. A Phase II trial for moderate-to-severe obesity commenced in July 2025, a Phase Ib trial for adolescent obesity commenced in August 2025, and additional trials for MASH, OSA and other obesity-related comorbidities are planned for 2026-2027.

(c) Broadening of the product pipeline with differentiated, patient-centric therapies. This includes the oral GLP-1 drug XW004 (Phase Ib/IIa trial commenced in November 2025), amylin assets XW015 and XW016 (promising preclinical results published and IND submissions expected in 2026), the long-acting multi-target drug XW019 with potential for superior efficacy, and XW020 with potential for muscle preservation.

(3) The [**REDACTED**] to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**], and the exchange rates as set out in this Document.

(4) In September 2017, Jiaxing Danqing Investment Partnership Enterprise (Limited Partnership) (嘉興丹青投資合夥企業(有限合夥)) ("**Jiaxing Danqing**"), the Company and the then Shareholders entered into a share purchase agreement, pursuant to which Jiaxing Danqing agreed to subscribe for RMB571,427 registered capital of our Company at a consideration of RMB40 million (the "**Series Pre-A Investment I**").

On January 16, 2018, Haibang Yigu Venture Capital Partnership Enterprise (Limited Partnership) (杭州海邦羿谷創業投資合夥企業(有限合夥)) ("**Haibang Yigu**"), the Company and several then Shareholders of our Company entered into a share purchase agreement, pursuant to which Haibang Yigu agreed to subscribe for RMB285,714 registered capital of our Company at a consideration of RMB20 million (the "**Series Pre-A Investment II**", together with Series Pre-A Investment I, the "**Series Pre-A Investment**").

The consideration of Series Pre-A Investment was determined after arm's length negotiations between the parties with reference to the the value of our founder and management team with extensive industry experience and our long-term development, strategies and potential.

(5) On December 13, 2018, Jiaxing Danqing, Kawin Technology, Healthy Growth Limited ("**Healthy Growth**"), Suzhou Legend Xinkang Venture Capital Partnership (Limited Partnership) (蘇州君聯欣康創業投資合夥企業(有限合夥)) ("**Legend Xinkang**"), Horgos Lianrui Frontier Venture Capital Co., Ltd. (霍爾果斯聯瑞前沿創業投資有限公司) ("**Horgos Lianrui**"), the Company and the then Shareholders entered into a share purchase agreement, pursuant to which, Jiaxing Danqing, Kawin Technology, Horgos Lianrui, Legend Xinkang and Healthy Growth agreed to subscribe for RMB265,781, RMB199,335, RMB132,890, RMB265,781 and RMB265,781 registered capital of our Company at a consideration of RMB40 million, RMB30 million, RMB20 million, RMB40 million and RMB40 million, respectively (the "**Series A Investment**").

The consideration of Series A Investment was determined after arm's length negotiations between the parties with reference to the milestones we have achieved in product development, especially XW003 as mentioned above, and our long-term development, strategies and potential. As a result of the prolonged approval process of Pre-[**REDACTED**] Investors, and the complexities of cross-border fund transfer, the proceeds of series A Investment was last settled in July 2020.

(6) On October 10, 2020, Healthy Growth, Legend Xingang, LYFE Snake River Limited ("**LYFE Snake**"), Imeik Technology Development Co., Ltd. (愛美客技術發展股份有限公司) ("**Imeik**"), Hangzhou Haibang Boyuan Venture Partnership Enterprise (Limited Partnership) (杭州海邦博源創業投資合夥企業(有限合夥)) ("**Haibang Boyuan**"), the Company and the then Shareholders entered into a share purchase agreement, pursuant to which, Healthy Growth, Legend Xinkang, LYFE Snake, Imeik and Haibang Boyuan agreed to subscribe for RMB300,000, RMB300,000, RMB1,250,000, RMB250,000 and RMB400,000 registered capital of our Company at a consideration of RMB30 million, RMB30 million, RMB125 million, RMB25 million and RMB40 million, respectively (the "**Series B Investment**").

The consideration of Series B Investment was determined after arm's length negotiations between the parties primarily taking into consideration the progress in the development of our Core Product, XW003, specifically the commencement of Phase I clinical trials in Australia and the advancement of its obesity and T2DM indications to the IND application stage in China, and our long-term development, strategies and potential.

(7) On September 20, 2021, Panorama Point Limited ("**Panorama**"), Winner Delight Limited ("**Winner Delight**"), Loyal Valley Capital Advantage Fund III LP ("**LVC Fund III**"), Shanghai Tanying Investment Partnership Enterprise (Limited Partnership) (上海檀英投資合夥企業(有限合夥)) ("**Shanghai Tanying**"), Shanghai Leyong Investment Partnership Enterprise (Limited Partnership) (上海樂永投資合夥企業(有限合夥)) ("**Shanghai Leyong**"), Kawin Technology, LYFE Snake, the Company and the then Shareholders of the Company entered into a share transfer and subscription agreement, pursuant to which, (i) Dr. Pan and Kawin Technology agreed to transfer RMB102,041 and RMB255,102 registered capital of our Company to Panorama at a consideration of US$2,018,400 and US$5,046,000, respectively (the "**Series C Equity Transfer**"), (ii) Panorama, Winner Delight, LVC Fund III, Shanghai Tanying and Shanghai Leyong agreed to subscribe for RMB646,200, RMB1,187,544, RMB649,746, RMB263,899 and RMB263,899 at a consideration of US$14,692,000, US$27,000,000, US$15,000,000, US$6,000,000 and US$6,000,000, respectively (the "**Series C Equity Increase**", together with the Series C Equity Transfer, the "**Series C Investment**").

The consideration of Series C Equity Increase was determined after arm's length negotiations between the parties with reference to the progress in the development of our products and our long-term development, strategies and potential. The price for the Series C Equity Transfer was then pegged to the price for the Series C Equity Increase at a discount. This investment structure was designed to balance the Company's need in working capital and proceed and the early investors' need for investment return, with the discounted transfer price to facilitate capital deployment for the incoming investors.

(8) On March 14, 2022, Winner Delight, Linzhi Yongzheng Information Technology Co., Ltd. (林芝永正信息科技有限公司) ("**Linzhi Yongzheng**"), Bright Gallant Limited ("**Bright Gallant**"), the Company and the then Shareholders entered into a share purchase agreement, pursuant to which, Winner Delight, Linzhi Yongzheng and Bright Gallant agreed to subscribe for RMB254,891, RMB1,422,022, RMB335,382 at a consideration of US$7.6 million, US$42.4 million and US$10 million, respectively (the "**Series C+ Investment**").

The consideration of Series C+ Investment was determined after arm's length negotiations between the parties with reference to the progress in the development of our products and our long-term development, strategies and potential.

(9) On March 1, 2023, Haibang Boyuan, Winner Delight, Linzhi Yongzheng, Suzhou Lirun Equity Investment Center (Limited Partnership) (蘇州禮潤股權投資中心(有限合夥)) ("**Suzhou Lirun**"), LAV Ordovician Hong Kong Limited ("**LAV Ordovician**"), Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) ("**Suzhou Paiyi**"), the Company and the then Shareholders entered into a share purchase agreement, pursuant to which, Haibang Boyuan, Winner Delight, Linzhi Yongzheng, Suzhou Lirun, LAV Ordovician and Suzhou Paiyi agreed to subscribe for RMB99,208, RMB248,021, RMB347,230, RMB396,834, RMB793,668 and RMB148,813 registered capital of our Company at a consideration of RMB20 million, US$7,395,246, RMB70 million, RMB80 million, RMB160 million and RMB30 million (the "**Series C++ Investment**").

The consideration of Series C++ Investment was determined after arm's length negotiations between the parties with reference to the market conditions of the biotech industry despite the positive progress in our products such as XW004 and XW014.

(10) To streamline the Company's investment structure while enabling early investors to realize their investment return from June 30, 2023 to July 3, 2023, a series of share transfer agreements were entered into among parties (the "**2023 Equity Transfers**"), the details of which are as below:

Date of the agreement	Transferor	Transferee	Amount of Registered Capital Involved	Consideration
June 30, 2023	Panorama	Shanghai Tanying	RMB406,910	US dollars equal to RMB75,928,767
June 30, 2023	Panorama	Zhuhai Hengqin Xule Investment Management Enterprise (Limited Partnership) (珠海市橫琴旭勒投資管理企業(有限合夥)) ("**Hengqin Xule**")	RMB12,585	US dollars equal to RMB2,348,317
June 30, 2023	Imeik	Kingdom Team Limited ("**Kingdom Team**")	RMB250,000	US dollars equal to RMB44,351,057
June 30, 2023	Horgos Lianrui	Kingdom Team	RMB41,950	US dollars equal to RMB7,442,024
June 30, 2023	Healthy Growth	Kingdom Team	RMB167,798	US dollars equal to RMBB29,768,093
June 30, 2023	Dr. Pan	Kingdom Team	RMB125,849	US dollars equal to RMB22,326,070
July 3, 2023	Dr. Pan	Linzhi Yongzheng	RMB58,729	RMB10,418,832
July 3, 2023	Dr. Pan	Suzhou Paiyi	RMB25,170	RMB4,465,213
July 3, 2023	Legend Xinkang	Linzhi Yongzheng	RMB117,459	RMB20,837,663
July 3, 2023	Legend Xinkang	Suzhou Paiyi	RMB50,339	RMB8,930,427
July 3, 2023	Horgos Lianrui	Linzhi Yongzheng	RMB29,365	RMB5,209,416
July 3, 2023	Horgos Lianrui	Suzhou Paiyi	RMB12,585	RMB2,232,607

The consideration of the 2023 Equity Transfers was determined after arm's length negotiations between the parties and based on the valuation of Series C++ investment with a discount mutually agreed by the parties, taking into account the overall environment of capital market.

(11) On November 11, 2024, a share transfer and subscription agreement was entered into among relevant parties, pursuant to which, several share transfers (the "**Series D Share Transfers**") and share subscription (the "**Series D Share Subscription**", together with the Series D Share Transfer, the "**Series D Investment**"), the details of which are as follows:

Series D Share Transfers

Transferor	Transferee	Number of Shares Involved	Consideration
Kawin Technology	Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) ("**Hanhai Information**")	117,586	RMB16,033,259
Horgos Lianrui		129,078	RMB17,600,233
Haibang Yigu		383,628	RMB52,309,010
Jiaxing Danqing		286,443	RMB39,057,498
Kawin Technology	Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司) ("**Guangxi Tencent**")	52,914	RMB7,215,003
Horgos Lianrui		58,085	RMB7,920,087
Haibang Yigu		172,632	RMB23,538,958
Jiaxing Danqing		128,900	RMB17,575,952
Kawin Technology	Social Security Fund Yangtze River Delta Technology Innovation Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership) (社保基金長三角科技創新股權投資基金(上海)合夥企業(有限合夥)) ("**SSF YRD Investment**")	29,397	RMB4,008,379
Horgos Lianrui		32,270	RMB4,400,122
Haibang Yigu		95,906	RMB13,077,101
Jiaxing Danqing		71,611	RMB9,764,398

Series D Share Subscription

Subscriber	Number of Shares Involved	Consideration
Hanhai Information	1,310,931	RMB275,000,000
Guangxi Tencent	589,919	RMB123,750,000
SSF YRD Investment	327,733	RMB68,750,000

The consideration of the Series D Share Subscription was determined after arm's length negotiations between the parties with reference to, on the one hand, the Company's operational progress, product development status and listing prospects and, on the other hand, the strategic value, potential for business collaboration and leverage offered by the relevant investors. The price for the Series D Share Transfers was then pegged to the price for the Series D Share Subscription at a discount. This investment structure was also designed to balance the Company's need in working capital and proceed and the early investors' need for investment return, with the discounted transfer price to facilitate capital deployment for the incoming investors.

Terms of the Pre-[REDACTED] Investments

Lock-up period	Pursuant to the applicable PRC laws, within 12 months following the [**REDACTED**], all existing Shareholders (including the Pre-[**REDACTED**] Investors) shall not transfer of any of the Shares held by them.
Use of proceeds from the Pre-[**REDACTED**] Investments	We utilized the proceeds from the Pre-[**REDACTED**] Investments for the principal business of our Group, including but not limited to research and development of our products, the growth and expansion of our business and general working capital purposes. As of the Latest Practicable Date, we have utilized approximately 86.86% of the proceeds from the Pre-[**REDACTED**] Investments. We intended to use the rest net proceeds from the Pre-[**REDACTED**] investment for further research and development activities, working capital, and other general corporate purposes.

Strategic benefits to our Group brought by the Pre-[**REDACTED**] Investors	Our Group would benefit from the additional capital injected by the Pre-[**REDACTED**] Investors in our Group, their business resources, knowledge and experience, potential business opportunities and benefits that may be provided by them. Our Pre-[**REDACTED**] Investors include private equity funds and other professional investment companies, many of which are highly experienced in investing in the healthcare and biopharmaceutical industry. Our Directors believed that our Company could benefit from their industry insights and guidance. Our Directors were also of the view that the Pre-[**REDACTED**] Investments demonstrate the Pre-[**REDACTED**] Investors' commitment and confidence in the business performance and operations, strengths and long-term prospects of our Group.

Special Rights of the Pre-[REDACTED] Investors

The Pre-[**REDACTED**] Investors have been granted certain special rights in relation to our Company including, among others, preemptive rights, anti-dilution rights, redemption and divestment rights, drag-along and tag-along right, and director appointment rights. Pursuant to the supplemental shareholders agreement (the "**Supplemental Agreement**") entered into amongst all existing Shareholders, such special rights have either been terminated prior to the first filing of the [**REDACTED**] by our Company with the Stock Exchange (the "[**REDACTED**]"), or will be terminated before or upon the [**REDACTED**].

In particular, the redemption/divestment rights were terminated immediately prior to the Company's first filing of [**REDACTED**], and are deemed to have been invalid from the outset and never legally effective with respect to any relevant party. Such redemption/divestment rights shall automatically be reinstated upon the earliest occurrence of any one of the following events: (a) the Company withdraws its [**REDACTED**], (b) the Company has not completed the qualified [**REDACTED**] and [**REDACTED**], including the [**REDACTED**] on the Stock Exchange within eighteen (18) months from the date of first submission of the [**REDACTED**], or (c) the [**REDACTED**] was denied for acceptance, rejected or returned by the Stock Exchange or the relevant authority, whichever is the earliest.

PRC Legal Adviser's Confirmation

As advised by our PRC Legal Adviser, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of SAMR in respect of the Pre-[**REDACTED**] Investments in material aspects set out above.

Compliance with the Pre-[REDACTED] Investment Guidance

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 termination of special rights granted to the Pre-[**REDACTED**] Investors as disclosed in "— Special Rights of the Pre-[**REDACTED**] Investors" above, the Joint Sponsors confirm that the Pre-[**REDACTED**] Investments are in compliance with the Pre-[**REDACTED**] Investment Guidance in Chapter 4.2 of the Guide for New Listing Applicants.

Information about our Pre-[REDACTED] Investors

Our Pre-[**REDACTED**] Investors include the following Sophisticated Investors, namely LYFE Capital Management Limited ("**LYFE Capital**"), Loyal Valley Capital, Legend Capital

Co., Ltd. (君聯資本管理股份有限公司) ("**Legend Capital**") and Jiaxing Danqing Investment Partnership Enterprise (Limited Partnership) (嘉興丹青投資合夥企業(有限合夥)) ("**Jiaxing Danqing**"). Each Sophisticated Investor has made meaningful investment in the Company at least six months before the [**REDACTED**], holding approximately [**REDACTED**]%, [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the total issued Shares immediately following the completion of the [**REDACTED**], assuming the [**REDACTED**] and the [**REDACTED**] are not exercised. To the best knowledge of our Directors, save as disclosed in this Document, each of the Pre-[**REDACTED**] Investors does not have any past or present relationships with our Company and its connected persons. Set out below are details of our principal Pre-[**REDACTED**] Investors in our Company as of the Latest Practicable Date.

Sophisticated Investors

LYFE Capital

Panorama Point Limited ("**Panorama**") is a company established in the Cayman Islands with limited liability on October 23, 2020. Panorama is held as to 49.70% by LYFE Capital Fund III (Dragon), L.P. ("**LYFE Fund III**"). None of the other shareholders of Panorama holds 30% or more of the shareholding interest in Panorama. LYFE Fund III is managed by its general partner, LYFE Capital, an exempted company incorporated in Cayman Islands. None of the limited partners of LYFE Fund III holds 30% or more of its partnership interest.

Being a dedicated healthcare fund, LYFE Capital has assets under management exceeding USD2 billion as of December 31, 2024 with an investment focus spanning biopharmaceuticals, medical devices, and diagnostics. LYFE Capital has invested in multiple portfolio companies in the healthcare industry, including, among others, Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司) (stock code: 1833.HK), Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司) (stock code: 2179.HK), Kangji Medical Holdings Limited (康基醫療控股有限公司) (stock code: 9997.HK), Shanghai Kindly Medical Instruments Co., Ltd. (上海康德萊醫療器械股份有限公司) (stock code: 1501.HK), Angelalign Technology Inc. (stock code: 6699.HK), Shanghai HeartCare Medical Technology Corporation Limited (stock code: 6609.HK) and ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (宜明昂科生物醫藥技術(上海)股份有限公司) (stock code: 1541.HK).

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties.

Loyal Valley Capital

Shanghai Tanying: Shanghai Tanying Investment Partnership Enterprise (Limited Partnership) (上海檀英投資合夥企業(有限合夥)) ("**Shanghai Tanying**") is a limited partnership established in the PRC on November 26, 2015 and is controlled and managed by its general partner, Shanghai Zhengxingu Investment Management Co., Ltd. (上海正心谷投資管理有限公司) ("**Shanghai Loyal Valley**") which is in turn owned as to 99.9% by Mr. Lin Lijun (林利軍), the founder of Loyal Valley Capital, a private equity firm that mainly focuses on three key sectors: new consumer, healthcare, and advanced manufacturing, and as to 0.1% by an Independent Third Party. The sole limited partner of Shanghai Tanying is Shanghai Lejin Investment Partnership (Limited Partnership) (上海樂進投資合夥企業(有限合夥)) ("**Shanghai Lejin**"), which holds approximately 99.99% of its partnership interest and is also controlled by Shanghai Loyal Valley as its general partner. None of the limited partners of Shanghai Lejin holds 30% or more of its partnership interest. Our non-executive Director, Mr. Qin Hao has been the vice president of investment of Shanghai Loyal Valley since January 2022.

Shanghai Leyong: Shanghai Leyong Investment Partnership Enterprise (Limited Partnership) (上海樂永投資合夥企業(有限合夥)) ("**Shanghai Leyong**") is a limited partnership

established in the PRC on November 26, 2015 and is also controlled and managed by its general partner, Shanghai Loyal Valley. Shanghai Leyong has 33 limited partners and none of which holds 30% or more of its partnership interest.

LVC Fund III: Loyal Valley Capital Advantage Fund III LP ("**LVC Fund III**") is a private equity fund established on June 4, 2020 and the general partner of which is Loyal Valley Capital Advantage Fund III Limited, a company wholly owned by LVC Holdings Limited, which is in turn controlled by Mr. Lin Lijun. None of the limited partners of LVC Fund III holds 30% or more of the partnership interest in LVC Fund III.

Hengqin Xule: Zhuhai Hengqin Xule Investment Management Enterprise (Limited Partnership) (珠海市橫琴旭勒投資管理企業(有限合夥)) ("**Hengqin Xule**") is a limited partnership established in the PRC on September 17, 2021 and is also managed by its general partner, Shanghai Loyal Valley. Hengqin Xule is owned as to 35.53%, 32.21% and 32.21% by its three limited partners, namely Huang Liudan (黃柳丹), Ye Chunyan (葉春燕) and Xie Ronggang (謝榕剛), respectively.

Loyal Valley Capital is a thematic, research-driven private equity firm focused on deep fundamental research and unlocking value through post-investment value-creation. Loyal Valley Capital manages capital on behalf of a geographically diversified group of long-term institutional investors, including sovereign wealth funds, private banks, family offices, and fund of funds managers, from across the Americas, Europe, and Asia. The assets under management of Loyal Valley Capital were approximately RMB50 billion. Loyal Valley Capital has invested in several healthcare companies such as Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司) (stock code: 1877.HK; 688180.SH), Akeso, Inc. (康方生物科技(開曼)有限公司) (stock code: 9926.HK), Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司) (stock code: 2696.HK), InnoCare Pharma Limited (諾誠健華醫藥有限公司) (stock code: 9969.HK) and CARsgen Therapeutics Holdings Limited (科濟藥業控股有限公司) (stock code: 2171.HK).

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties.

Legend Capital

Suzhou Legend Xinkang Venture Capital Partnership (Limited Partnership) (蘇州君聯欣康創業投資合夥企業(有限合夥)) ("**Legend Xinkang**") is a limited partnership established in the PRC on March 13, 2018. The general partner of Legend Xinkang is Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) ("**Lhasa Junqi**") and none of the limited partners of Legend Xinkang holds 30% or more of its partnership interests. Lhasa Junqi is a wholly-owned subsidiary of Legend Capital, a company owned as to 80% by Beijing Juncheng Hezhong Investment Management Partnership Enterprise (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)) ("**Beijing Juncheng Hezhong**"). Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司) ("**Beijing Junqi Jiarui**"), a company with limited liability and the general partner of Beijing Juncheng Hezhong, is also the general partner of each of the limited partners of Beijing Juncheng Hezhong, namely, (i) Tianjin Huizhi No. 1 Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (天津匯治壹號企業管理咨詢合夥企業(有限合夥)) which holds approximately 58.12% of its partnership interest, and except for Zhu Linan (朱立南) holding approximately 34.68% of the partnership interest in Tianjin Huizhi, none of its limited partners holds 30% or more of its partnership interest; and (ii) Tianjin Junlian Jieyou Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (天津君聯傑佑企業管理諮詢合夥企業(有限合夥)) which holds approximately 41.87% of its partnership interest, and except for Chen Hao (陳浩) holding approximately 33.36% of the partnership interest in Tianjin Junlian, none of its limited partners holds 30% or more of its partnership interest. Beijing Junqi Jiarui

is actually controlled by and owned as to 40%, 20%, 20% and 20% by Chen Hao (陳浩), Zhu Linan (朱立南), Li Jiaqing (李家慶) and Wang Nengguan (王能光), respectively.

Healthy Growth Limited ("**Healthy Growth**") is a company with limited liability incorporated in Hong Kong on September 6, 2017 and is a wholly-owned subsidiary of LC Healthcare Fund II, L.P. ("**LC Healthcare Fund II**"). LC Healthcare Fund II is controlled by its general partner, LC Healthcare Fund II GP Limited, a company owned as to 100% by LC Fund GP Limited ("**LC Fund GP**"). Except for Great Unity Fund I, L.P. who holds approximately 54.22% partnership interest in LC Healthcare Fund II, none of the other limited partners of LC Healthcare Fund II holds 30% or more of its partnership interest. LC Fund GP is wholly owned by Union Season Holdings Limited, which is in turn wholly owned by Legend Capital. Great Unity Fund I, L.P. is also managed by LC Fund GP as its general partner, and it is owned as to (i) 49.08% by its limited partner, Proud Solar Limited, which is wholly owned by Loft Success Investments Limited, a wholly-owned subsidiary of Right Lane Limited, which is in turn wholly owned by Legend Holdings Corporation, a company listed on the Stock Exchange (stock code: 3396.HK) and (ii) 49.08% by SK China Company Limited, none of whose shareholders holds 30% or more of its equity interest.

Legend Xinkang and Healthy Growth are investments funds under Legend Capital, which was established in April 2001. Legend Capital is a leading professional investment institution in the PRC with a focus on early-stage venture capital investments and growth-stage private equity investments and had total assets under management of more than RMB80 billion as of December 31, 2024. Legend Capital has made investments in companies across various industries, such as the technology, healthcare, consumer, enterprise service and intelligent manufacturing industries. Legend Capital's portfolio companies, which are listed on the Stock Exchange, in life science sector include Innovent Biologics, Inc. (stock code: 1801.HK), HBM Holdings Limited (stock code: 2142.HK), Jiangsu Recbio Technology Co., Ltd. (stock code: 2179.HK), WuXi AppTec Co., Ltd. (stock code: 2359.HK) and Pharmaron Beijing Co., Ltd. (stock code: 3759.HK).

To the best knowledge and information of the Company, all these above-mentioned entities are Independent Third Parties.

Jiaxing Danqing

Jiaxing Danqing Investment Partnership Enterprise (Limited Partnership) (嘉興丹青投資合夥企業(有限合夥)) ("**Jiaxing Danqing**") is a venture capital firm focusing on the investment in pharmaceutical and healthcare industries established in the PRC on May 17, 2016 whose general partner is Tibet Danqing Investment Management Partnership Enterprise (Limited Partnership) (西藏丹青投資管理合夥企業(有限合夥)) ("**Tibet Danqing**"), and is managed and ultimately controlled by Hainan Shiyu Private Equity Management Co., Ltd. (海南拾玉私募基金管理有限公司) ("**Shiyu Capital**"), a company owned by Mr. Yang Hongbing (楊紅冰) as to approximately 72.72% in aggregate. Except for Mr. Ma Jianan (馬嘉楠), an Independent Third Party and an individual investor who holds approximately 36.36% of the partnership interest in Jiaxing Danqing, none of the limited partners of Jiaxing Danqing or Tibet Danqing holds 30% or more of their partnership interest.

Shiyu Capital is a sophisticated investor focusing on equity investment in pharmaceutical and healthcare industry, with assets under management exceeding RMB6 billion as of December 31, 2024. The pharmaceutical investments of Shiyu Capital include Jacobio Pharmaceuticals Group Co., Ltd. (加科思藥業集團有限公司) (stock code: 1167.HK), JD Health International Inc. (京東健康股份有限公司) (stock code: 6618), JW (Cayman) Therapeutics Co., Ltd. (藥明巨諾(開曼)有限公司) (stock code: 2126.HK), Ascentage Pharma Group International (亞盛醫藥集團) (stock code: 6855.HK), and Shanghai Allist Pharmaceuticals Co., Ltd. (上海艾力斯醫藥科技股份有限公司) (stock code: 688578.SH).

To the best knowledge and information of the Company, all these above-mentioned entities are Independent Third Parties.

Other Investors

Linzhi Yongzheng

Linzhi Yongzheng Information Technology Co., Ltd. (林芝永正信息科技有限公司) ("**Linzhi Yongzheng**") is a company with limited liability incorporated in the PRC on October 26, 2015. Linzhi Yongzheng is a wholly-owned subsidiary of Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司) ("**Tencent Ruijian**"), which is a subsidiary of Shenzhen Tencent Ruitou Enterprise Management Co., Ltd. (深圳市騰訊睿投企業管理有限公司) ("**Tencent Ruitou**"). Tencent Ruitou is owned each as to 50% by Shenzhen Tengyuan Enterprise Management Partnership (Limited Partnership) (深圳市藤遠企業管理合夥企業(有限合夥)) ("**Shenzhen Tengyuan**") and Shenzhen Tenglv Enterprise Management Partnership (Limited Partnership) (深圳市藤綠企業管理合夥企業(有限合夥)) ("**Shenzhen Tenglv**"). The general partner of both Shenzhen Tengyuan and Shenzhen Tenglv is Shenzhen Tengqing Enterprise Management Co., Ltd. (深圳市藤青企業管理有限公司) ("**Shenzhen Tengqing**") which is a subsidiary of Tencent Holdings Limited (stock code: 700.HK (HKD counter) and 80700.HK (RMB counter)).

Guangxi Tencent

Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司) ("**Guangxi Tencent**") is a limited liability company incorporated in the PRC on January 6, 2020. Guangxi Tencent is a wholly-owned subsidiary of Tencent Ruijian. For more details, please refer to the above.

Suzhou Paiyi

Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) ("**Suzhou Paiyi**") is a limited partnership established in the PRC on November 6, 2019 and is managed by its general partner, Suzhou Yaoyi Enterprise Management Co., Ltd. (蘇州垚益企業管理有限公司) ("**Suzhou Yaoyi**"), which is wholly owned by Shenzhen Zeyi Consultancy Co., Ltd. (深圳市澤益諮詢有限公司). Suzhou Paiyi had two limited partners, namely, Suzhou Tencent Phase I Investment Fund Partnership (Limited Partnership) (蘇州騰訊一期跟投基金合夥企業(有限合夥)) ("**Suzhou Tencent I**") which held approximately 65.00% of its partnership interest, and Beijing Tencent Phase I Investment Fund (Limited Partnership) (北京騰訊一期跟投基金(有限合夥)) ("**Beijing Tencent I**") which held approximately 34.95% of its partnership interest. Suzhou Tencent I, Beijing Tencent I and Suzhou Paiyi, taken together, constitute one single fund (the "**Fund**"). None of the limited partners of the Fund holds 30% or more fund interests therein.

IDG Entities

IDG Entities include Winner Delight Limited ("**Winner Delight**") and Kingdom Team Limited ("**Kingdom Team**").

Winner Delight is a company incorporated in Hong Kong, which is wholly owned by IDG Breyer Capital Fund L.P. ("**IDG Breyer Fund**"), an exempted limited partnership established under the laws of the Cayman Islands. IDG Breyer Fund is a capital fund with a primary purpose of making equity and equity-related investments, in the next-generation technology and technology-driven sectors, including, without limitation, artificial intelligence, autonomous driving, intelligent manufacturing, genome technology, fintech and 5G enabled next generation cloud services. The sole general partner of IDG Breyer Fund is

IDG Breyer Capital Fund GP Associates L.P. ("**IDG Breyer Associates L.P.**") while IDG Breyer Capital Fund GP Associates Ltd. ("**IDG Breyer Associates Ltd.**") serves as the sole general partner of IDG Breyer Associates L.P.. IDG Breyer Associates Ltd. is controlled by Ho Chi Sing and Yang Fei.

Kingdom Team is a company incorporated in Hong Kong, which is wholly owned by IDG Capital Project Fund Rhododendron L.P. ("**IDG Rhododendron**"), an exempted limited partnerships established under the laws of the Cayman Islands. IDG Rhododendron is a capital fund with a primary purpose of making equity and equity-related investments, primarily in the technology, media and telecommunication, healthcare, advanced manufacture and consumer sectors. The sole general partner of IDG Rhododendron is IDG Capital Project Fund Rhododendron GP L.P. ("**IDG Rhododendron GP L.P.**") while IDG Capital Project Fund Rhododendron GP Ltd. ("**IDG Rhododendron GP Ltd.**") serves as the sole general partner of IDG Rhododendron GP L.P.. IDG Rhododendron GP Ltd. is controlled by Ho Chi Sing.

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties of our Company.

Hanhai Information

Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) ("**Hanhai Information**") is a company with limited liability established in the PRC on March 16, 2006, and is wholly owned by Solid Bit Hong Kong Limited (formerly known as "DianPing (Hong Kong) Limited"), which is in turn wholly owned by DianPing Holdings Ltd., a wholly-owned subsidiary of Meituan (美团), a company listed on the Stock Exchange (stock code: 3690.HK (HKD counter) and 83690.HK (RMB counter)).

To the best knowledge and information of the Company, all these above-mentioned entities are Independent Third Parties.

LAV Ordovician

LAV Ordovician Hong Kong Limited ("**LAV Ordovician**") is a company with limited liability incorporated in Hong Kong and is held as to (i) 50% by LAV Fund VI Opportunities, L.P., a fund controlled by LAV GP VI Opportunities, L.P. as its general partner, which is in turn controlled by LAV Corporate VI GP Opportunities, Ltd. ("**LAV Corporate Opportunities**") and (ii) 50% by LAV Fund VI, L.P., a fund controlled by LAV GP VI, L.P. as its general partner, which is in turn controlled by LAV Corporate VI GP, Ltd. ("**LAV Corporate**"). Both LAV Corporate Opportunities and LAV Corporate are wholly owned by Dr. Yi Shi, an Independent Third Party.

To the best knowledge and information of the Company, all these above-mentioned entities and individual are Independent Third Parties.

SSF YRD Investment

Social Security Fund Yangtze River Delta Technology Innovation Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership) (社保基金長三角科技創新股權投資基金(上海)合夥企業(有限合夥)) ("**SSF YRD Investment**") is a limited partnership established in the PRC on November 7, 2023, and it is managed by its general partner, Shanghai Hexie Chuangrong Management Consulting Partnership Enterprise (Limited Partnership) (上海和諧創榮管理諮詢合夥企業(有限合夥)) ("**Shanghai Hexie Chuangrong**") and owned as to 98.04% by its sole limited partner, National Council for Social Security Fund of the People's Republic of China (全國社會保障基金理事會). Shanghai Hexie

Chuangrong is owned as to 50%, 44% and 6% by its general partner, Tibet Yarong Enterprise Management Co., Ltd. (西藏雅榮企業管理有限公司) ("**Tibet Yarong**"), and its two limited partners, Tibet Hexie Enterprise Management Co., Ltd. (西藏和諧企業管理有限公司) ("**Tibet Hexie**") and Shanghai Shuofang Management Consulting Co., Ltd. (上海碩昉管理諮詢有限公司), respectively. Tibet Yarong is wholly owned by Hexie Aiqi Investment Management (Beijing) Co., Ltd. (和諧愛奇投資管理(北京)有限公司) ("**Hexie Aiqi**"). Hexie Aiqi is owned by Tibet Hexie as to approximately 73.76% of its interest. Tibet Hexie is owned by Zhuhai Hexie Zhiyuan Management Consultancy Co., Ltd. (珠海和諧致遠管理諮詢有限公司) ("**Zhuhai Hexie Zhiyuan**") as to approximately 93.63% of its interest. Zhuhai Hexie Zhiyuan is owned as to 40% by LI Jianguang (李建光), 30% by NIU Kuiguang (牛奎光) and 30% by WANG Jingbo (王靜波).

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties.

Haibang Boyuan

Hangzhou Haibang Boyuan Venture Partnership Enterprise (Limited Partnership) (杭州海邦博源創業投資合夥企業(有限合夥)) ("**Haibang Boyuan**") is a limited partnership established in the PRC on June 23, 2020, and is managed by Hangzhou Haibang Fenghua Investment Management Co., Ltd. (杭州海邦灃華投資管理有限公司) ("**Haibang Fenghua**") as its general partner, and except for Hangzhou Haibang Xinrun Venture Capital Investment Partnership Enterprise (Limited Partnership) (杭州海邦鑫潤創業投資合夥企業(有限合夥)) ("**Haibang Xinrun**") holding approximately 49.05% of its partnership interest, none of the limited partners of Haibang Boyuan holds 30% or more of its partnership interest. Haibang Fenghua is a wholly owned subsidiary of Zhejiang Haibang Investment Management Co., Ltd. (浙江海邦投資管理有限公司), currently known as Zhejiang Haibang Private Equity Fund Management Co., Ltd. (浙江海邦私募基金管理有限公司) ("**Haibang Fund**"), which is held as to 50% by Hangzhou Lisheng Investment Management Co., Ltd. (杭州立晟投資管理有限公司), a company owned as to 80% by Xie Li (謝力). None of the other shareholders of Haibang Fund holds 30% or more shareholding interests in it. Haibang Xinrun is also managed by Haibang Fenghua as its general partner, and except for Quzhou Qujiang District State-owned Capital Investment Group Co., Ltd. (衢州市衢江區國有資本投資集團有限公司) holding approximately 32.36% partnership interest in it, none of its other limited partners holds 30% or more of its partnership interest. Quzhou Qujiang District State-Owned Capital Investment Group Co., Ltd. is indirectly wholly owned by Quzhou State-owned Capital Operation Co., Ltd. (衢州市國有資本運營有限公司), which is owned as to approximately 98.17% of its shareholding interest by Quzhou State-owned Assets Holding Group Co., Ltd. (衢州市國資控股集團有限公司), which is in turn wholly owned by Quzhou State-owned Assets Supervision and Administration Commission (衢州市國有資產監督管理委員會).

To the best knowledge and information of the Company, all these above-mentioned entities and individual are Independent Third Parties.

Suzhou Lirun

Suzhou Lirun Equity Investment Center (Limited Partnership) (蘇州禮潤股權投資中心(有限合夥)) ("**Suzhou Lirun**") is a limited partnership established in the PRC. Its general partner is Shanghai Likun Enterprise Management Partnership (Limited Partnership) (上海禮堃企業管理合夥企業(有限合夥)) ("**Shanghai Likun**"). The general partner of Shanghai Likun is Shanghai Liyao Investment Management Co., Ltd. (上海禮曜投資管理有限公司), which is in turn wholly owned by Dr. CHEN Fei, an Independent Third Party of the Company. None of the limited partners of Suzhou Lirun holds 30% or more of its partnership interest.

To the best knowledge and information of the Company, all these above-mentioned entities and individual are Independent Third Parties.

Bright Gallant

Bright Gallant Limited ("**Bright Gallant**") is a company with limited liability incorporated in Hong Kong and is ultimately held by Wu Capital Family Trust, which is set up by Ms. Cai Xinyi as the settlor.

To the best knowledge and information of the Company, all these above-mentioned entities are Independent Third Parties.

CAPITALIZATION

Our Company has applied for [**REDACTED**] to convert [**REDACTED**] Unlisted Shares into H Shares after the [**REDACTED**]. The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the [**REDACTED**]:

	As of the Latest Practicable Date without taking into account the [REDACTED]		Immediately upon completion of the [REDACTED] (taking into account the [REDACTED] and assuming the [REDACTED] and the [REDACTED] are not exercised)		
Name of Shareholders	**Number of Unlisted Shares**	**Approximate ownership percentage**	**Number of Unlisted Shares**	**Number of H Shares**	**Approximate ownership percentage**
Single Largest Shareholders Group					
Dr. Pan	1,515,796	6.53%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Junyida[(1)]	2,282,584	9.84%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Heweida[(1)]	1,354,999	5.84%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Xiankeda[(1)]	255,102	1.10%	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Shiweida[(1)]	1,152,304	4.97%	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal of the Single Largest Shareholders Group	6,560,785	28.28%	[REDACTED]	[REDACTED]	[REDACTED]
Pre-[REDACTED] Investors					
Linzhi Yongzheng	1,974,805	8.51%	[REDACTED]	[REDACTED]	[REDACTED]
Guangxi Tencent	1,002,450	4.32%	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Paiyi	236,907	1.02%	[REDACTED]	[REDACTED]	[REDACTED]
Kingdom Team	585,597	2.52%	[REDACTED]	[REDACTED]	[REDACTED]
Winner Delight	1,690,456	7.29%	[REDACTED]	[REDACTED]	[REDACTED]
Hanhai Information	2,227,666	9.60%	[REDACTED]	[REDACTED]	[REDACTED]
Panorama	1,833,848	7.90%	[REDACTED]	[REDACTED]	[REDACTED]
LVC Fund III	659,746	2.84%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Tanying	670,809	2.89%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Leyong	263,899	1.14%	[REDACTED]	[REDACTED]	[REDACTED]
Hengqin Xule	12,585	0.05%	[REDACTED]	[REDACTED]	[REDACTED]
Legend Xinkang	738,870	3.18%	[REDACTED]	[REDACTED]	[REDACTED]

	As of the Latest Practicable Date without taking into account the [REDACTED]		Immediately upon completion of the [REDACTED] (taking into account the [REDACTED] and assuming the [REDACTED] and the [REDACTED] are not exercised)		
Name of Shareholders	Number of Unlisted Shares	Approximate ownership percentage	Number of Unlisted Shares	Number of H Shares	Approximate ownership percentage
Healthy Growth	738,870	3.18%	[REDACTED]	[REDACTED]	[REDACTED]
Jiaxing Danqing	1,424,044	6.14%	[REDACTED]	[REDACTED]	[REDACTED]
LAV Ordovician	793,668	3.42%	[REDACTED]	[REDACTED]	[REDACTED]
SSF YRD Investment	556,917	2.40%	[REDACTED]	[REDACTED]	[REDACTED]
Haibang Boyuan	499,208	2.15%	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Lirun	396,834	1.71%	[REDACTED]	[REDACTED]	[REDACTED]
Bright Gallant	335,382	1.45%	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] taking part in the [REDACTED]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL	**23,203,346**	**100.00%**	[REDACTED]	[REDACTED]	[100.00%]

Note:

(1) The day-to-day management and the exercise of voting rights attached to the Shares held by each of Beijing Junyida, Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida are controlled by Dr. Pan, directly or indirectly through Beijing Yangyuan, which is wholly owned by Dr. Pan. As of the Latest Practicable Date, Beijing Junyida was held by Dr. Pan and Kawin Technology as to 65% and 35%. Kawin Technology is an A-share listed company primarily engaged in the field of liver diseases, focusing on antiviral and immunomodulatory products, including functional cure therapies for hepatitis B, with innovative drugs at its core, while the Group focuses on cAMP-biased glucagon-like peptide-1 (GLP-1) receptor agonist, for overweight/obesity and type 2 diabetes mellitus. The business positioning and development direction of Kawin Technology are distinct from those of the Group and that there is no overlapping product pipeline, market competition, or cooperation that may result in a conflict of interest with the Group.

As of the Latest Practicable Date, Beijing Yangyuan held (a) 7.79% partnership interest of Beijing Heweida, (b) 5.28% partnership interest of Shanghai Xiankeda, and (c) 31.80% partnership interests of Hangzhou Shiweida. As of the Latest Practicable Date, the remaining limited partnership interests of each of Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida were held by our employees. As such, each of Beijing Yangyuan, Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida is a close associate of Dr. Pan, and these entities form Single Largest Shareholders Group of the Company for the purpose of the Listing Rules.

PUBLIC FLOAT AND FREE FLOAT

Following the [**REDACTED**] of the Unlisted Shares into H Shares and upon completion of the [**REDACTED**] and the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised):

(a) each of Dr. Pan, Beijing Junyida, Beijing Heweida, Shanghai Xiankeda, and Hangzhou Shiweida will be our core connected persons and a total of [**REDACTED**] Shares held by them will not be counted towards either the public float or the free float, representing [**REDACTED**] of our share capital in aggregate;

(b) as Tencent Holdings Limited, a substantial shareholder of the Company, through Linzhi Yongzheng, Guangxi Tencent and Suzhou Paiyi (a limited partnership managed by a fellow subsidiary of Linzhi Yongzheng and Guangxi Tencent), will be entitled to exercise [**REDACTED**] voting rights in our Company, it will be a core connected person of our Company and the [**REDACTED**] Shares held by Linzhi Yongzheng, Guangxi Tencent and Suzhou Paiyi will not be counted towards either the public float or the free float;

(c) a total of [**REDACTED**] Unlisted Shares held by Kingdom Team, Winner Delight, Hanhai Information, Panorama, LVC Fund III, Shanghai Tanying, Shanghai Leyong, Hengqin Xule, Legend Xinkang, Healthy Growth, Jiaxing Danqing, LAV Ordovician, SSF YRD Investment, Haibang Boyuan, Suzhou Lirun and Bright Gallant (the "**Current Unlisted Shareholders**") will be converted into H Shares and [**REDACTED**] on the Stock Exchange, and therefore will be counted as part of the public float, representing [**REDACTED**]% of our share capital in aggregate. None of the Current Unlisted Shareholders is accustomed to take instructions from our Company (or any of our subsidiaries) or any core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and none of their acquisition of the Shares were financed directly or indirectly by our Company (or any of our subsidiaries) or our core connected persons. However, as the H Shares held by the Current Unlisted Shareholders will be subject to a lock-up period, those H Shares will not be counted towards the free float at the time of the [**REDACTED**]. For details, see "— Pre-[**REDACTED**] Investments — Terms of the Pre-[**REDACTED**] Investments" above; and

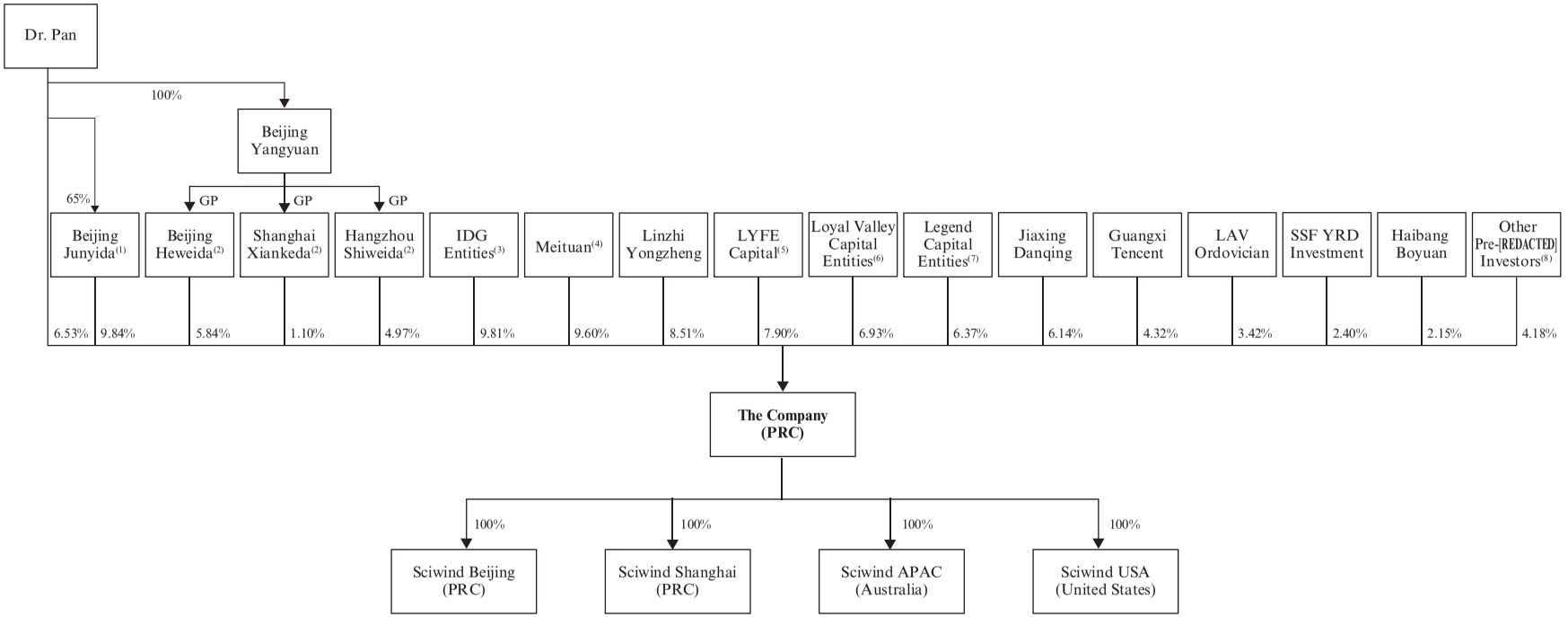
(d) a total of [**REDACTED**] H Shares issued pursuant to the [**REDACTED**] will be counted as part of the public float and free float at the time of the [**REDACTED**], representing [**REDACTED**]% of our share capital in aggregate.

Based on the above, it is expected that, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised), a total of [**REDACTED**] H Shares, representing [**REDACTED**]% of our total issued Share upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised) will be counted as part of 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 approximately [**REDACTED**]% of H Shares to be held in public hands with the expected market value of HK$[**REDACTED**] at the time of [**REDACTED**], based on the [**REDACTED**] of HK$[**REDACTED**] per H Share. With respect to the indicative [**REDACTED**] of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**] (being the low end, mid-point and the upper-end, respectively), the expected market capitalization of the Company's Shares would be HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**], and, therefore, the minimum prescribed public float percentage as required under Rule 19A.13A(1) of the Listing Rules would be [**REDACTED**]%, [**REDACTED**]%, and [**REDACTED**]% of the total issued Shares.

In addition, it is expected that, immediately following the completion of the [**REDACTED**], a total of [**REDACTED**] H Shares, representing [**REDACTED**]% of our total issued Share upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised), will be counted as part of the free float. As a results, over 10% of our Company's total issued Shares will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) with an expected market value at the time of [**REDACTED**] of over HK$ [**REDACTED**] (based on the [**REDACTED**] of HK$[**REDACTED**], being the low-end of the indicative [**REDACTED**] set out in this Document), as required under Rule 19A.13C(1)(a) of the Listing Rules.

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Group immediately before completion of the [**REDACTED**]:



Notes:

(1) As of the Latest Practicable Date, Beijing Junyida is held by Dr. Pan as to 65% and Kawin Technology as to 35%.

(2) As of the Latest Practicable Date, Beijing Yangyuan is wholly owned by Dr. Pan, and is the sole general partner of each of Beijing Heweida, Shanghai Xiankeda, and Hangzhou Shiweida, holding 7.79%, 5.28% and 31.80% partnership interest of Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida, respectively. For more details, please refer to "— Capitalization" in this section.

(3) IDG Entities include Kingdom Team and Winner Delight.

(4) Meituan holds its interest through Hanhai Information. See "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors — Hanhai Information" for details.

(5) LYFE Capital holds its interest through Panorama Point Limited. See "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors — LYFE Capital" for details.

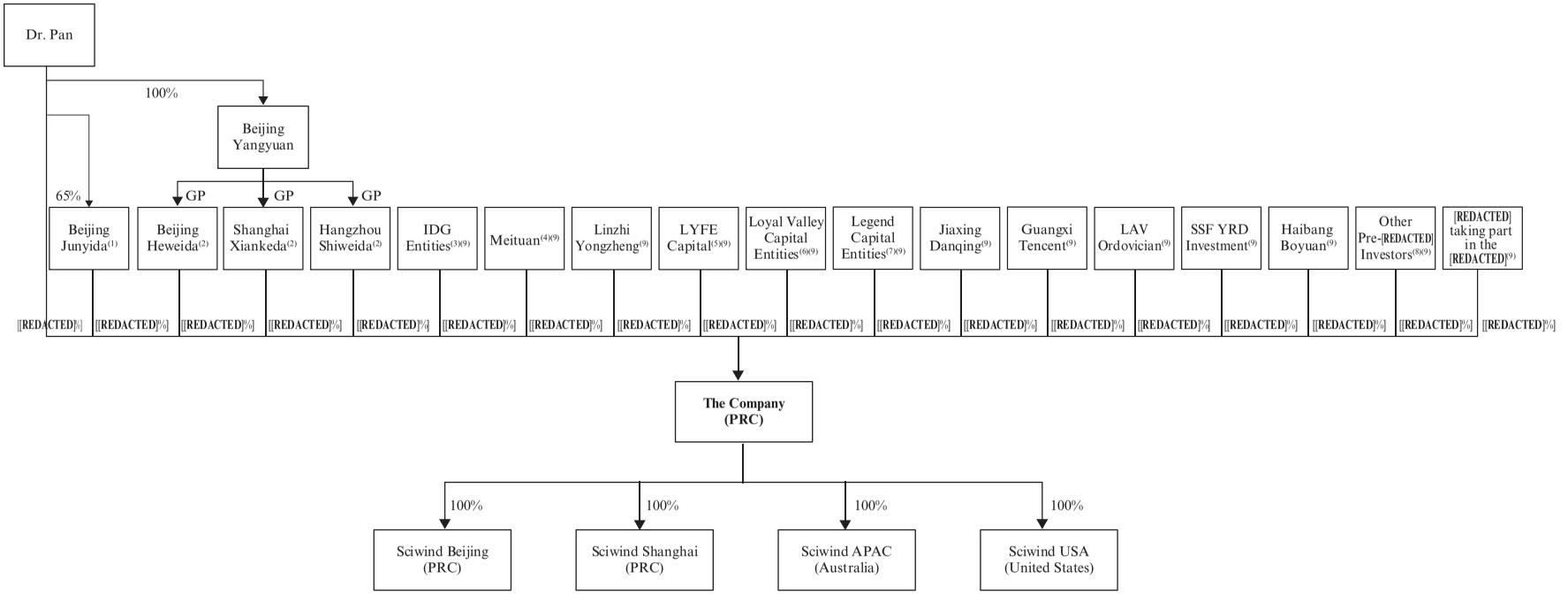
(6) Loyal Valley Capital Entities include LVC Fund III, Shanghai Tanying, Shanghai Leyong and Hengqin Xule.

(7) Legend Capital Entities include Legend Xinkang and Healthy Growth.

(8) Other Pre-[**REDACTED**] investors include Suzhou Lirun, Bright Gallant and Suzhou Paiyi.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Group immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised):



Notes:

For notes (1) to (8), please see "— Corporate Structure Immediately before Completion of the [**REDACTED**]" in this section above.

(9) The Shares held by these Shareholders will count towards the public float upon [**REDACTED**], except for as disclosed "— Public Float and Free Float" in this section above.

OVERVIEW

Who We Are

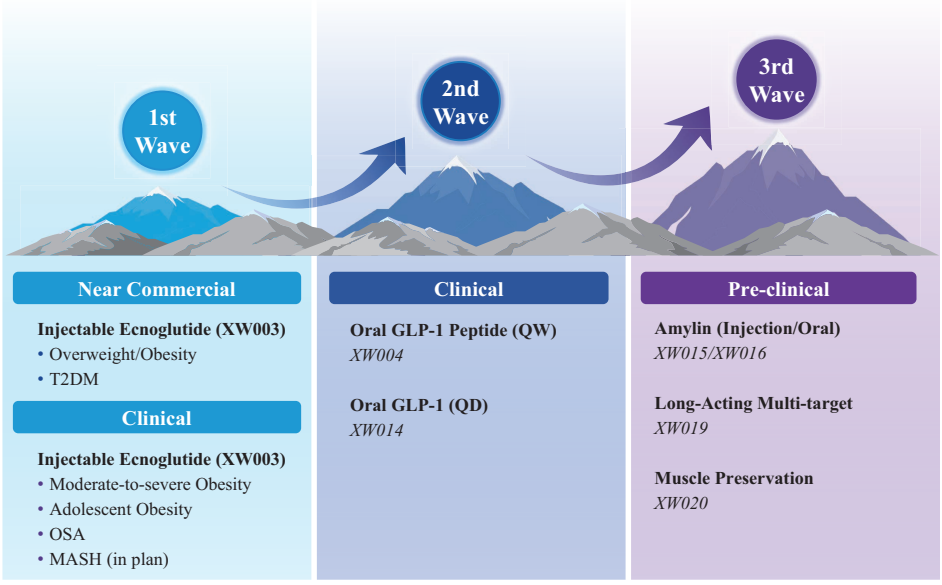
We are a biopharmaceutical company in the commercialization stage, dedicated to the R&D of advanced weight management therapeutics primarily for obesity and related diseases. Weight levels are closely related to public health, and abnormal weight, particularly overweight and obesity, is a major risk factor for chronic diseases such as cardiovascular diseases, diabetes, and certain types of cancer. Our Core Product injectable ecnoglutide (XW003) is the world's first approved cAMP-biased glucagon-like peptide-1 (GLP-1) receptor agonist for T2DM and overweight/obesity treatments in Chinese Mainland, with approvals received from the NMPA in January 2026 and March 2026, respectively. Guided by our mission of "Reshaping Life with Science", we strive to transform the advanced proprietary technologies into safe, effective, and comprehensive solutions that enable us to deliver durable and high-quality weight loss, manage various comorbidities, and extend beyond obesity to address cardiometabolic risks and potentially provide organ protection.

Since our inception in 2017, we have focused on the R&D of advanced weight management therapeutics primarily for obesity and related diseases. According to Frost & Sullivan, weight management and obesity related comorbidities represent the fastest-growing unmet medical need worldwide. The global weight management drug market is vast with a steady growth, from USD112.8 billion in 2024 to USD165.9 billion in 2029. Within the weight management industry, obesity and related diseases encompass different types of obesity depending on patients' BMI and age, as well as various weight-related comorbidities such as metabolic dysfunction-associated steatohepatitis (MASH) and obstructive sleep apnea (OSA). The weight management drug market is also highly fragmented with numerous established and emerging players. This competitive and evolving nature of the market is anticipated to lead to a paradigm shift from BMI-centric to patient-centric treatment strategies, offering customized solutions to address diverse patient needs.

Leveraging our deep insights, accumulated know-how, extensive industry experience, and established technology platform (SciwindCore™), our expertise has expanded from GLP-1 receptor agonists to oral peptides and small molecules, amylin peptide analogs, and other novel drugs in the weight management field. We have self-developed a comprehensive pipeline of drug candidates targeting prevalent obesity and related diseases, including overweight/obesity, T2DM, moderate-to-severe obesity, adolescent obesity, MASH, OSA and other obesity related comorbidities. This pipeline, along with our *pipeline-in-a-product* strategy with injectable ecnoglutide (XW003) as the backbone therapy, supports our future innovation in weight management, positioning us as a frontrunner in delivering customized, patient-centric solutions that address diverse medical needs. Through this approach, we can overcome the limitations that conventional treatments encounter, such as poor tolerability and loss of muscle mass, limited efficacy, low patient compliance, and manufacturing scalability constraints — enabling us to capture evolving market opportunities globally.

Our Pipeline of Drug Candidates

Our strategic pipeline development unfolds in three distinct "waves" that collectively strengthen our position in weight management therapeutics. Our Core Product injectable ecnoglutide (XW003) represents our "first wave," which is the world's first approved cAMP-biased GLP-1 receptor agonist in Chinese Mainland, serving as the validation of our SciwindCore™ platform. Our oral treatment innovations represent our "second wave," which include XW004, potentially the world's first and only weekly long-acting oral cAMP-biased GLP-1 peptide with enhanced bioavailability, and XW014, an oral small molecule cAMP-biased GLP-1 receptor agonist with potential for combination therapies. Advancing to our "third wave," our diversified mechanism of action programs positions us at the forefront of next-generation therapeutics. Our amylin peptide analogs, XW015 and XW016, offer significant differentiation by providing treatment options for GLP-1-intolerant patients as a standalone therapy as well as co-formulated therapy with GLP-1. Our novel drug XW019 is an early-stage project focused on the development of a monthly injectable biologics designed to induce body weight reduction and address metabolic disorders. XW020 is a long-acting injectable peptide promoting weight reduction and helping preserve muscle mass.



The following chart summarizes key information of our drug candidates as of the date of this Document:

Program	MoA/Target	Modality	Administration[1]	Indication(s)[2]	Preclinical	Phase I[3]	Phase II[3]	Phase III[3]	BLA[3]	Current Status/Upcoming Milestone	Commercial Rights	Partners
Metabolic												
★XW003[4] (ecnoglutide)	GLP-1 Receptor Agonist	Peptide	QW Injection	Overweight/Obesity	China					BLA submitted to NMPA in December 2024, BLA approval received in March 2026	Worldwide excluding Korea	inno.N
				T2DM	China					BLA submitted to NMPA in November 2024, BLA approval received in January 2026		
				OSA	China					IND approved by NMPA in January 2026, Phase III initiated in February 2026	Global	/
				Moderate-to-severe Obesity	China					Phase II commenced in July 2025, Phase II readout expected by 2027H1	Worldwide excluding Korea	inno.N
				Adolescent Obesity	China					Phase Ib commenced in August 2025, Phase III initiation expected in 2026H2		
				MASH	China[5]					IND approved by NMPA in February 2021, Phase IIb initiation expected by early 2027[5]		
				Obesity Related Comorbidities	China[5]					IND submission expected in 2026H2[5]	Global	/
☆ XW004 (ecnoglutide)	GLP-1 Receptor Agonist	Peptide	QW Oral	Overweight/Obesity	China, Australia[6]					Phase Ib/IIa commenced in November 2025, Phase Ib/IIa readout expected in 2027H1	Greater China & Korea	Verdiva
☆ XW014	GLP-1 Receptor Agonist	Small Molecule	QD Oral	Overweight/Obesity	China, U.S.					Phase I completed in December 2025, Phase II initiation expected in 2026H1	Global	/
XW015	Amylin Receptor Agonist	Peptide	QW Injection	Overweight/Obesity						IND submission expected in 2026H2	Greater China & Korea	Verdiva
XW016	Amylin Receptor Agonist	Peptide	Oral	Overweight/Obesity						IND submission expected in 2026H2		
XW019	Undisclosed (Multi-target)	Undisclosed	QM Injection	Overweight/Obesity						IND submission expected in 2027H1	Global	/
XW020	Undisclosed	Peptide	Injection	Overweight/Obesity (Muscle Preservation)						IND submission expected in 2026H2	Global	/
Respiratory												
XW001	IL-29 Analog	Protein	Inhalation	RSV/Flu	China					Phase IIb initiated in Mar 2025, Phase IIb readout expected in late 2026	RoW[7]	Sino Biopharm

★ Core Product ☆ Key Product

Notes:

1. QD refers to once per day, QW refers to once per week, QM refers to once per month
2. T2DM refers to Type 2 Diabetes Mellitus, MASH refers to Metabolic Dysfunction-Associated Steatohepatitis, OSA refers to Obstructive Sleep Apnea Syndrome
3. The region marked in the arrow is the area where the clinical trials/BLAs are conducted/applied for
4. In 2025, the Company entered into a commercialization agreement with Pfizer to commercialize XW003 for T2DM, overweight/obesity and other indications in China
5. The Company is evaluating feasibility of commencing Phase IIb/III clinical trials directly
6. The Company has completed Phase I clinical trials in Australia and submitted the IND application to initiate Phase Ib/IIa clinical trials of XW004 for the treatment of overweight/obesity in China
7. Excluding Greater China (Chinese Mainland, Hong Kong, Macau and Taiwan), Russia, Brazil, Indonesia, Saudi Arabia, Thailand, Singapore, Malaysia, Philippines, Vietnam, Myanmar, Laos, Cambodia, Brunei, Timor-Leste, United Arab Emirates, Qatar, Bahrain, Serbia

Core Product Injectable Ecnoglutide (XW003), the World's First Approved cAMP-biased GLP-1 Receptor Agonist

Injectable ecnoglutide (XW003) is the world's first approved cAMP-biased GLP-1 receptor agonist for T2DM and overweight/obesity treatments in Chinese Mainland, according to Frost & Sullivan. It selectively activates the cAMP pathway while reducing β-arrestin recruitment, thereby preventing receptor internalization and desensitization to achieve enhanced and sustainable therapeutic efficacy.

According to the Phase III clinical data published on *Lancet Diabetes & Endocrinology*, injectable ecnoglutide (XW003) has demonstrated better efficacy surpassing unbiased GLP-1 receptor agonists such as semaglutide and rivaling dual-agonist therapies such as tirzepatide, positioning us at the forefront of next-generation treatment of overweight/obesity and T2DM. Highlights of injectable ecnoglutide (XW003):

- **Differentiated molecular design with biased signaling mechanism for superior efficacy:** Injectable ecnoglutide (XW003) operates through a cAMP-biased GLP-1 receptor mechanism that represents a fundamental advancement in GPCR pharmacology. Our rational design strategy achieved selective cAMP pathway activation while minimizing β-arrestin recruitment through structure-based molecular engineering. This sophisticated molecular design addresses fundamental limitations in unbiased GLP-1 therapies by enabling prolonged receptor engagement, translating to sustained therapeutic action, enhanced glycemic control, and superior appetite suppression.

- **Strong efficacy in Chinese patients:** Injectable ecnoglutide (XW003) achieved 15.1% placebo-adjusted weight loss in Chinese obese patients (average weight loss in women is 17.6%), outperforming semaglutide (8.5%) and matching tirzepatide's efficacy at a fraction of the dose (2.4 mg vs. 15 mg) based on published clinical data.

- **High response rate:** 92.8% of Chinese obese patients achieved clinically meaningful weight loss (≥5% body weight), compared to 54.3-88% for competing therapies.

- **Well-tolerated safety profile:** Over 2,000 subjects have been enrolled with injectable econoglutide (XW003). Treatment was generally well tolerated, with only mild-to-moderate gastrointestinal events comparable to those seen with approved GLP-1 therapies. The discontinuation rate was low, demonstrating a good patient adherence. No serious safety concerns were identified across the study population.

- **Cardiometabolic benefits with well-tolerated safety profile:** Clinical outcomes include cardiometabolic improvements in liver fat, waist circumference, blood pressure, lipid profile, HbA1c, fasting glucose, and insulin level, along with a notable reduction in uric acid levels up to 54.3 μmol/L. Treatment was generally well-tolerated with only mild-to-moderate gastrointestinal events comparable to approved GLP-1 therapies, while demonstrating superior efficacy and low discontinuation rates indicating good patient adherence. Treatment also showed reduced anti-drug antibody formation, lower immunogenicity risk, and relatively few injection site reactions than existing competing products.

- **Significant commercial advantages:** Our 100% natural amino acid composition enables manufacturing advantages with reduced production complexity, which may dramatically improve production economics. Injectable ecnoglutide (XW003) could achieve good efficacy at lower dose, enabling superior dosage efficiency and enhancing patient accessibility.

- **Long patent life:** Injectable ecnoglutide (XW003) benefits from robust NCE patent protection extending through 2039, ensuring extended market leadership and revenue protection in this rapidly expanding therapeutic space.

Key Product XW004, an Oral Peptide GLP-1 Receptor Agonist with Enhanced Bioavailability

Our Key Product XW004 is potentially the world's first and only weekly long-acting oral cAMP-biased GLP-1 peptide, according to Frost & Sullivan, with potential to present injectable-like efficacy due to enhanced bioavailability.

— It is an oral formulation of ecnoglutide enabled by our proprietary absorption enhancer. This technology delivers 3–5 times higher oral bioavailability compared to existing oral GLP-1 peptide therapies such as Rybelsus®. Key Product XW004 demonstrated injectable-like efficacy in Phase I trials, where patients achieved up to 6.8% weight reduction at 6 weeks — significantly outperforming competitor oral products Rybelsus® (2.3%) and orforglipron (4.3%) based on published clinical data.

— Key Product XW004 offers the convenience of oral administration while leveraging the therapeutic benefits of our biased GLP-1 analog, which enhances patient compliance and provides sequential treatment options for obesity and related diseases.

Key Product XW014, an Oral Small Molecule cAMP-biased GLP-1 Receptor Agonist with Potential for Combination Therapies with Other Oral Drugs

Our Key Product XW014 represents our Phase I, oral small molecule cAMP-biased GLP-1 receptor agonist with potential for combination therapies.

— Key Product XW014 offers significant manufacturing and formulation advantages compared to peptide-based therapies. Key Product XW014 provides superior production scalability and cost-effectiveness while offering potential for combination therapies with other oral drugs to deliver synergistic therapeutic benefits.

— The compound achieves stable pharmacokinetics with once-daily dosing and exceptional safety profile. In Phase I trials, XW014 demonstrated robust efficacy with up to 5.6% weight loss over 43 days, presenting significant improvement in lipid profile and very low incidence of gastrointestinal disorders, with all the TEAE being mild to moderate.

Amylin Peptide Analogs XW015 and XW016 and Other Advanced Preclinical Drug Candidates XW019 and XW020

XW015 and XW016 represents our IND-enabling amylin peptide analogs. Amylin drugs have the potential for a milder profile of gastrointestinal side effects compared to GLP-1 receptor agonist, particularly nausea and diarrhea. XW015 is a long-acting injectable amylin receptor agonist, which could be co-formulated with GLP-1 injectable therapies to eliminate the need for dual injections or complex devices. XW016 is potentially the world's first oral amylin peptide analog in development, leveraging our proprietary oral delivery technology and optimized fatty acid modifications to achieve high oral bioavailability without compromising therapeutic activity.

XW019 is an early-stage project focused on the development of a monthly injectable biologic designed to induce body weight reduction and address metabolic disorders. Engineered for extended duration of action, the therapy is optimized for convenient dosing and improved patient adherence. We are planning to submit the IND application in the first half of 2027. XW020 is a long-acting injectable peptide promoting weight reduction and helping preserve muscle mass. By maintaining muscle integrity while reducing fat, this candidate has the potential to deliver more balanced and sustainable outcomes for patients. We are planning to file IND by the end of 2026.

Our Proprietary SciwindCore™ Platform

Serving as the validation of our comprehensive drug development capabilities are our three proprietary technology platforms, which are built upon profound understanding of structure function relationships in peptides, fatty acids and antibodies. These systemic and integrated platforms represent advanced technologies and serve as the engine for our entire pipeline, driving continuous product innovation and iteration that keeps us at the forefront of metabolic therapeutics and supporting the development of combination therapies across multiple therapeutic areas.

- **BiasVantage™ — Biased Agonist Discovery Platform.** This platform leverages structure-based rational design and comprehensive signaling assays to create precision therapeutics with enhanced efficacy and reduced desensitization. The platform develops signaling-selective ligands that offer extended receptor activity through reduced desensitization, leading to excellent therapeutic outcomes compared to unbiased approaches. Through the platform, we developed ecnoglutide, a biased GLP-1 receptor agonist. Our signaling assay systems quantified pathway-specific activity including cAMP production and β-arrestin-mediated receptor internalization. Compared with semaglutide, our platform's in vitro signaling assays confirmed injectable ecnoglutide (XW003) is biased towards cAMP production over β-arrestin recruiting following receptor engagement, significantly accelerated our discovery by ensuring only the most promising candidates advance to clinical development.

- **OralVantage™ — Oral Peptide Delivery Platform.** This platform overcomes major challenges in developing oral peptide therapeutics by addressing enzymatic degradation and poor gastrointestinal absorption through enhanced molecular stability and advanced formulation technologies. The platform enables peptides to achieve clinically meaningful exposure by combining rational peptide design with drug delivery strategies that significantly improve absorption across the gut barrier. This approach simultaneously addresses both peptide stability and absorption challenges, offers versatility across broad peptide structures and disease indications. Leveraging such an approach, we developed next-generation oral peptide therapeutics such as XW016 (oral formulation) for obesity,

addressing the significant need for convenient, non-injectable treatment options. XW004 incorporates our proprietary oral delivery technology and optimized fatty acid modifications to achieve high oral bioavailability while maintaining full therapeutic potency both as a monotherapy and in combination with GLP-1 agents. Thereby, OralVantage™ as a platform that integrates proprietary technologies provides us robust intellectual property protection.

- **HaleVantage™ — Half-life Extension Platform.** This platform improves pharmacokinetic properties through fatty acid modification (LipoVantage™ platform) and antibody-peptide conjugation (APCVantage™ platform) to enable extended dosing intervals from weekly to monthly or potentially longer. The platform enhances patient convenience and compliance, hence, driving treatment adherence and market adoption of our drug candidates, by extending peptide half-life through systematic optimization including selection of conjugation sites, refinement of peptide sequences to optimize enzymatic stability, and structural tuning of fatty acids. We utilize various modification strategies offering customized approaches tailored to specific therapeutic demands and integrated pharmacokinetic evaluation systems across multiple species for early identification of optimal modifications. For example, we developed XW019 using our antibody-peptide conjugation (APCVantage™ platform), which combines the pharmacokinetic advantages of antibody conjugation with the potency of peptide therapeutics. Preclinical data suggested that XW019 could enable once-monthly dosing, offering a compelling convenience advantage and significantly lowering the treatment burden for patients.

See "— Our Research and Development Capabilities — Multi-Platform Innovation Engine."

Strong Support from Our Management, Shareholders and Collaborators

Our management team comprises industry veterans from Amgen, Lilly, Novo Nordisk and other leading pharmaceutical companies, bringing deep expertise and global best practices. Through outstanding execution, we have developed four assets to clinical/BLA stage within eight years.

Our key shareholders are top-tier investors with deep understanding in biotechnology investment and profound insight in market strategy. Through cooperation with these key shareholders, we strive to gain extensive market reach and enhance consumer engagement capabilities to accelerate the commercial success of our drug candidates.

Our collaborators are industry-leading pharmaceutical and biotech companies with rich global and regional resources, experience and networks. We have entered into a series of license-out and collaboration agreements with our collaborators. Specifically, inno.N is entitled to develop and launch injectable ecnoglutide (XW003) in Korea, Verdiva is entitled to develop and launch XW004 and amylin peptide analogs outside Greater China and Korea. We also licensed out XW001 to a subsidiary of Sino Biopharm. We believe such strategic alliances will support our global expansion and expedite the market exposure of our drug candidates. See "— Our Collaboration and Licensing Arrangements." Moreover, in December 2025, we entered into a commercialization agreement with Pfizer to commercialize injectable ecnoglutide (XW003) for T2DM, overweight/obesity and other indications in China. See "— Commercialization."

OUR STRENGTHS

Frontrunner in Weight Management

We are a weight management drug pioneer with advanced therapies designed to capture the substantial market potential in weight management.

Leveraging our deep insights, accumulated know-how, extensive industry experience, and proprietary technology platform (SciwindCore™), we have developed a comprehensive portfolio of weight management drug candidates within just eight years, outpacing industry peers.

Our portfolio includes three waves. Our first wave refers to our Core Product injectable ecnoglutide (XW003), which is the world's first approved cAMP-biased GLP-1 receptor agonist.

Our second wave comprises clinical drug candidates. Our oral treatment innovations include XW004, potentially the world's first and only weekly long-acting oral biased GLP-1 peptide with enhanced bioavailability, and XW014, an oral small molecule cAMP-biased GLP-1 receptor agonist with potential for combination therapies.

Our third wave comprises pre-clinical drug candidates. Our diversified mechanism of action programs positions us at the forefront of next-generation therapeutics. Our amylin peptide analogs, XW015 and XW016, offer significant differentiation by providing treatment options for GLP-1-intolerant patients as a standalone therapy as well as co-formulated therapy with GLP-1. Our novel drug XW019 is an early-stage project focused on the development of a monthly injectable biologics designed to induce body weight reduction and address metabolic disorders. XW020 is a long-acting injectable peptide promoting weight reduction and helping preserve muscle mass.

Our diversified pipeline is fueled by a proprietary SciwindCore™ platform, which comprises three distinct platforms — biased agonist discovery (BiasVantage™), oral peptide delivery (OralVantage™), and half-life extension (HaleVantage™). These platforms create powerful toolboxes for our continuous R&D and innovation, allowing us to develop comprehensive weight management solutions delivering effective, convenient, and durable therapeutic effects.

With our established industry leadership, comprehensive and diversified product pipeline, and highly proprietary technology platforms, we are able to address the evolving market demand with differentiated and high-quality weight management treatments, capturing the enormous market opportunities in this field.

Core Product Injectable Ecnoglutide (XW003): the World's First Approved cAMP-biased GLP-1 Receptor Agonist with Superior Efficacy

Injectable ecnoglutide (XW003) represents the validation of our scientific expertise, delivering notable clinical performance that indicates meaningful progress in weight management. It embodies the successful translation of biased signaling science into commercial reality.

Through a structure-guided rational design strategy, injectable ecnoglutide (XW003) was engineered as a once-weekly, cAMP-biased GLP-1 receptor agonist. This molecular design achieves selective activation of the cAMP signaling pathway while minimizing β-arrestin recruitment. With deep understanding in biased GPCR signaling and pharmacology, we have successfully created a superior therapeutic with sustained receptor signaling, translating directly into clinically validated efficacy.

Highlights of injectable ecnoglutide (XW003) include (i) differentiated molecular design with biased signaling mechanism for superior efficacy; (ii) strong efficacy in Chinese patients; (iii) high response rate; (iv) well-tolerated safety profile; (v) cardiometabolic benefits with welltolerated safety profile; (vi) significant commercial advantage; and (vii) long patent life. See "— Our Core Product."

We have established clear pathways to maximize the market potential of injectable ecnoglutide (XW003). We are expanding the indications of injectable ecnoglutide (XW003) to moderate-to-severe obesity, adolescent obesity, MASH, OSA and other obesity related comorbidities. We are conducting head-to-head comparisons against current market leader to gain more market shares.

In the overseas market, we pursue strategic collaborations with leading global pharmaceutical partners to maximize its worldwide market potential. In Chinese Mainland, we entered into a commercialization agreement with Pfizer to commercialize injectable ecnoglutide (XW003) for T2DM, overweight/obesity and other indications. For overseas market, our out-licensing and collaboration arrangements with inno.N will enable us to greater market exposure and penetration, and capture the market opportunities in Asian market.

Rich and Diversified Pipeline Providing Comprehensive Patient-Centric Solutions

Our comprehensive pipeline leverages a multi-pronged approach that focuses on improved delivery through enhanced routes of administration, optimized dosing frequency, and advanced formulation technologies. We systematically address next-level needs through co-formulated therapy, multi-target, and novel target strategies that expand therapeutic options and improve patient outcomes across the obesity treatment spectrum.

Key Product XW004 is an oral peptide GLP-1 receptor agonist with enhanced bioavailability.

It is potentially the world's first and only weekly long-acting oral biased GLP-1 peptide, according to Frost & Sullivan, with potential to present injectable-like efficacy due to enhanced bioavailability. Key Product XW004 offers the convenience of oral administration while leveraging the therapeutic benefits of our biased GLP-1 analog, positioning it as potentially the first and only clinical-stage oral weekly treatment that enhances patient compliance and provides sequential treatment options for obesity.

Key Product XW014 is an oral small molecule cAMP-biased GLP-1 receptor agonist with potential for combination therapies.

It offers significant manufacturing and formulation advantages compared to peptide-based therapies. Key Product XW014 provides superior production scalability and cost-effectiveness while offering potential for combination therapies with other oral drugs to deliver synergistic therapeutic benefits.

XW015 is a long-acting injectable amylin receptor agonist. XW016 is the world's first oral amylin peptide analog in development, according to Frost & Sullivan. Both represent our IND-enabling stage amylin peptide analogs. Amylin and its analogs show therapeutic potential in both T2DM and obesity by improving glycemic control, enhancing satiety, reducing appetite, and supporting sustained weight loss.

XW019 is an early-stage project focused on the development of a monthly injectable biologics. This candidate leverages multiple complementary mechanisms of action to enhance metabolic balance and promote sustained weight reduction, offering the potential for superior efficacy over current competitive molecules.

XW020 is a long-acting injectable peptide. XW020 acts through distinct mechanisms that not only promote body weight reduction but also help preserve muscle mass, addressing a key limitation of many current weight-loss therapies.

Multi-Platform Innovation Engine Driving Sustainable Development

Our competitive advantage is built on our SciwindCore™ platform, which comprises three proprietary technology platforms that serve as tool boxes to address the key limitations of current weight management therapeutics: insufficient response rates and limited efficacy, low patient compliance, and manufacturing scalability constraints. As patients continue to seek tailored — solutions from enhanced efficacy to alternative delivery routes and extended dosing intervals, we believe the current weight management therapeutics will continue to evolve toward greater segmentation. Through our biased agonist discovery platforms, we create differentiated weight management therapeutics with enhanced efficacy, improved patient convenience, and outperformed safety profiles. It enables us to treat all sub-types of overweight/obesity patients, for both adult and adolescent, and for diversified demands in weight management, further advancing our advantages in different segmented markets.

These platforms enable us to develop a comprehensive portfolio spanning multiple delivery routes (subcutaneous or oral), dosing frequencies (daily, weekly or monthly), and therapeutic modalities (peptides or small molecules). This has positioned us to capture diverse market segments and patient preferences while exploring synergistic combination opportunities across our pipeline for enhanced clinical outcomes. Specifically, (i) our biased agonist discovery platform BiasVantage™ creates precision therapeutics with enhanced efficacy and reduced desensitization compared to unbiased agonists; (ii) our oral peptide delivery platform, OralVantage™ enables oral peptides with injectable-like efficacy; and (iii) our half-life extension platform, HaleVantage™ improves patient compliance through extended dosing intervals. See "— Our Research and Development Capabilities — Multi-Platform Innovation Engine."

These three integrated technology platforms are protected by comprehensive intellectual property rights with multiple invention patents granted and pending in China and internationally. We have also presented preclinical and clinical research results at leading international industry conferences such as ADA and EASD, establishing our position as a recognized innovation leader in metabolic therapeutics with global patent coverage across our core technologies.

Top-Tier Management Team with a Proven Track Record of Success Led by World-Class Experts and Industry Veterans

Our experienced management team has developed four assets to clinical/BLA stage within eight years and established us as a top player in the field of weight management. Our management team comprises world-class experts and industry veterans from renowned multinational pharmaceutical companies including Amgen, Lilly and Novo Nordisk. We have also attracted exceptional talents from local innovative drug R&D companies, creating balanced leadership that integrates international experience with domestic market knowledge and regulatory expertise. Our seasoned senior management team brings comprehensive expertise across all critical business functions including drug R&D, clinical development, CMC, finance, and human resources, ensuring effective execution of strategic objectives and operational excellence.

Insightful Leadership Team

We are guided by seasoned drug innovators and entrepreneurs whose combined expertise has been instrumental in establishing our position as leader in metabolic disease therapeutics.

Dr. Pan is a seasoned entrepreneur in the pharmaceutical industry with over 20 years of experience in drug development. During his nearly nine years as the principal scientist at Amgen Inc., a world-leading biotechnology company listed on Nasdaq (stock code: AMGN.Nasdaq), Dr. Pan engaged in CMC development of biologics from February 2003 to August 2011. Prior to founding our Company, Dr. Pan worked at Kawin Technology, a biotech company listed on the Shanghai Stock Exchange (stock code: 688687.SH), responsible for its R&D activities. After founding our Group, Dr. Pan and his team advanced our Company's leading asset, ecnoglutide, to commercialization with in less than eight years. Over the same period, Dr. Pan led efforts to raise approximately RMB2.2 billion across seven rounds of private financing and built a team of over 150 personnel.

Dr. Pan has published numerous papers in renowned scientific journals including *Lancet Diabetes & Endocrinology (Lancet D&E)*, *Nature Communications*, and *Journal of the American Chemical Society (JACS)*.

Dr. Xinle Wu brings over 20 years of experience at pharmaceutical multinationals including Amgen and Eli Lilly, with proven track record in innovative medicine research and development. He has deep expertise leading drug development portfolios for metabolic disorders including overweight/obesity, T2DM, MASH, and related conditions. Dr. Wu has authored dozens of high-impact publications in leading journals including *Nature Medicine*, *PNAS*, and *Science Translational Medicine*, and is co-inventor on multiple patents. His contributions in metabolic diseases are highly regarded in industry and academic communities. Dr. Wu earned his Ph.D. in Biochemistry from Case Western Reserve University and completed postdoctoral training at University of Texas Southwestern Medical Centers.

Seasoned R&D Team Leadership

Our R&D capabilities are driven by exceptional scientists with proven track records in metabolic disease drug development, particularly Dr. Wu and Dr. Zou Haixia. They bring deep expertise across the entire drug discovery and development spectrum.

Dr. Zou Haixia is a seasoned drug discovery scientist with extensive metabolic disease therapeutics experience. She previously worked at Eli Lilly, playing key roles in advancing innovation across multiple drug discovery stages. Her expertise spans the entire preclinical pipeline from novel target validation to IND-enabling studies. Dr. Zou has published in high-impact journals including *Molecular Metabolism*, *Cell Metabolism*, and *Journal of Medicinal Chemistry*. She holds a Ph.D. in Chemical Biology from Peking University and completed postdoctoral training at Sanford Burnham Prebys Medical Discovery Institute.

Strong Investor Support

Our management team and business model have attracted strong backing from leading investors and strategic partners. This validates our approach and provides resources for accelerated growth.

We have successfully raised approximately RMB2.2 billion across various financing rounds, demonstrating strong investor confidence in our business model, management team, and growth prospects. Our financing is backed by top-tier investors, notably Tencent, IDG, Meituan, LYFE Capital, Loyal Valley Capital, Legend Capital, Jiaxing Danqing, LAV Ordovician, SSF YRD Investment and Haibang Boyuan. For the full legal names and other details on the Pre-[**REDACTED**] Investors, see "History, Development and Corporate Structure — Information about our Pre-[**REDACTED**] Investors". Leveraging their deep expertise in biotechnology investment and profound insight in market strategy, we strive to gain extensive market access and enhance consumer engagement to accelerate the commercial success of our drug candidates.

OUR STRATEGIES

Continuously Deliver Patient-Centric Weight Management Solutions Powered by SciwindCore™ Platform

We are dedicated to providing comprehensive weight management solutions to address clinical needs in the metabolic disease space. Our overarching strategy is anchored by our SciwindCore™ platform designed around the clinical needs of diverse patient populations, which serve as the fundamental engine for future innovation and continuous therapeutic advancement across multiple disease areas.

We are also exploring next-generation pipeline opportunities such as amylin-based therapeutics and multi-target products that offer enhanced therapeutic potential. We will continue to leverage our established platforms to develop novel therapeutics with superior profiles and expand indications for our existing pipeline products to maximize their therapeutic and commercial value.

Continue to Unleash the Potential of Our First-Wave Core Product Through a Pipeline-in-a-Product Strategy

We plan to advance the clinical development of our cAMP-biased GLP-1 assets, with a primary strategic focus on injectable ecnoglutide (XW003).

As a part of our *pipeline-in-a-product* strategy with injectable ecnoglutide (XW003) as the backbone therapy, we plan to unlock its full potential to other indications across obesity and related diseases. Particularly, we plan to advance the clinical trials for the treatment of adolescent obesity. We are also exploring the therapeutic potential of injectable ecnoglutide (XW003) for the treatments of MASH, OSA and other obesity related comorbidities.

We have a series of domestic clinical studies in plan, such as head-to-head comparisons against current market leader and follow-up studies to assess the weight rebound. Through these well-designed studies, we intend to seek to validate the comprehensive therapeutic advantages of injectable ecnoglutide (XW003).

Leverage Oral Technologies to Enhance Compliance Through Our Second-Wave Pipeline Products

Apart from our GLP-1 injection therapies, we are also exploring the significant potential for oral GLP-1 drugs. Additionally, our significant advancements in formulation technology have substantially improved the bioavailability of oral drugs, thereby achieving injection-like efficacy.

- ***XW004.*** We initiated Phase Ib/IIa clinical trials of XW004 for the treatment of obesity in China in November 2025.

- ***XW014.*** We completed the Phase I clinical trial for XW014 in the U.S. in December 2025, while we intend to develop XW014 in Chinese Mainland and other key regions in the future to maximize its global commercial potential.

Further Improve the Quality of Weight Management Solution Through Third-Wave Pipeline Products to Transcend Existing Therapeutics

In addition to our leading GLP-1 assets, we are also exploring the therapeutic value of amylin-targeted and multi-target pipeline products that offer greater combination potential and enhanced synergistic effects to break through the efficacy ceiling limitations of GLP-1 as a single-target peptide drug approach.

- ***Amylin Assets.*** Amylin drugs offer superior tolerability profiles and powerful synergistic effects when combined with GLP-1 therapies, making them highly promising next-generation obesity therapeutics with significant differentiation. We have several amylin-based candidates under preclinical development, including XW015 (injection formulation) and XW016 (oral formulation). We are the first company to report the co-formulated therapy of amylin peptide analogs and GLP-1 peptide analogs in animal models. We plan to submit the IND application in 2026.

- ***Multi-Target Assets.*** We plan to submit the IND application for XW019, once-monthly injection candidate, in the first half of 2027. Meanwhile, we are also exploring the potential of other advanced multi-target combinations to address diverse clinical needs and expand our market opportunities.

- ***Muscle-Preserving Assets.*** We are also conducting early-stage research on XW020, which provides body weight reduction while help preserve muscle mass.

With our comprehensive R&D strategy, we are able to focus on establishing a robust portfolio of functionally complementary and differentiated therapeutic assets. By leveraging SciwindCore™ platform, we intend to overcome key clinical challenges across three critical dimensions that are essential for optimal patient outcomes: efficacy, safety, and convenience.

Implement a Phased Manufacturing Strategy to Meet Post-Commercialization Demand

We will enhance our manufacturing capacity to ensure sufficient commercial supply. We plan to strengthen our manufacturing capabilities across different growth stages. Specifically, we have partnered with a qualified CMO to meet initial market demand following commercialization of injectable ecnoglutide (XW003), ensuring reliable supply while maintaining cost efficiency. We also plan to leverage the existing manufacturing facilities of our CMO partners and purchase additional instrument to enhance the manufacturing capacity of CMO partners to ensure compliance with our technical and quality standards. As our commercialization process evolves and market demand continues to grow, we will carefully evaluate and establish our own in-house manufacturing facilities to ensure long-term supply security and operational control.

Seek Strategic Partnerships to Expand Our Footprint and Maximize the Value of Our Pipeline

We intend to expand our business by strategically seeking license-out partners such as multinational corporations (MNCs) to advance the development of our product candidates in major overseas markets such as the United States and Europe, thereby maximizing the global commercial potential of our pipeline. As of the date of this Document, we have not made any concrete arrangement yet.

We focus on forging strategic partnerships with leading regional partner companies to enhance the commercial potential of our pipeline across global markets. In addition, this strategic partnership approach aims to rapidly expand market reach and enhance brand awareness during the early stages of commercialization, accelerating our path to market success.

OUR PRODUCT PIPELINE

Leveraging our established R&D capabilities, extensive industry experience, and continuously stable support from our management and shareholders, we developed a diverse pipeline of eight drug candidates in-house as of the Latest Practicable Date, among which our Core Product, injectable ecnoglutide (XW003), was approved for T2DM and overweight/obesity treatments in Chinese Mainland, three drug candidates (including two Key Products) were in clinical trial stage, and four drug candidates were in preclinical stage.

OUR CORE PRODUCT

Injectable Ecnoglutide (XW003) — the World's First Approved cAMP-Biased GLP-1 Receptor Agonist

Overview

Our Core Product, injectable ecnoglutide (XW003), is a novel, long-acting cAMP-biased GLP-1 receptor agonist designed for the treatments of overweight/obesity and T2DM, as well as other obesity related comorbidities.

Injectable ecnoglutide (XW003) is approved for T2DM and overweight/obesity treatments in Chinese Mainland. For its overweight/obesity indication, the Phase III overweight/obesity study in China demonstrated that it delivers high response rate (≥5% weight reduction), good efficacy, well tolerated safety, and cardiometabolic benefits. For its T2DM indication, according to the Phase III clinical trial record (NCT05680129), XW003 was shown to be non-inferior to dulaglutide in patients with T2DM, further superiority analysis shown that XW003 presented statistically superiority to dulaglutide in efficacy. We have submitted the BLAs for both indications to the NMPA by the end of 2024. We have received the approvals from the NMPA for T2DM treatment in January 2026 and overweight/obesity treatment in March 2026.

We are also expanding the indications of injectable ecnoglutide (XW003) into moderate to severe obesity, adolescent obesity, MASH, OSA and other obesity related comorbidities. We have initiated a Phase II study for moderate to severe obesity and a Phase Ib study for adolescent obesity in China. We commenced the Phase III trial for OSA in February 2026 and are planning for a Phase IIb trial for MASH. For details, see "— Our Core Product — Clinical Development Plan."

Mechanism of Action

Injectable ecnoglutide (XW003) embodies the successful translation of biased signaling science into commercial reality.

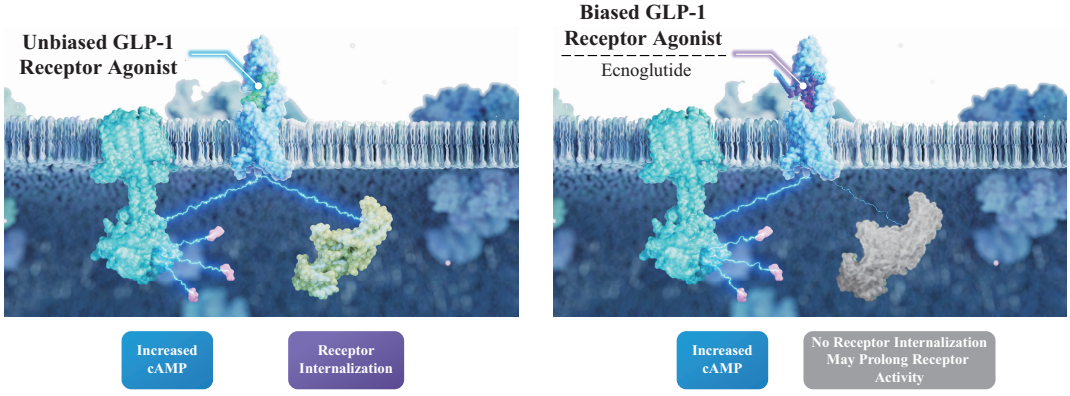
GLP-1 and GLP-1 Receptor Agonists: GLP-1 is an incretin hormone that activates GLP-1 receptor. It plays a key role in stimulating glucose-dependent insulin secretion, suppressing glucagon release, delaying gastric emptying, and promoting satiety. Beyond its metabolic effects, GLP-1 also exerts protective actions on the cardiovascular system and has potential neuroprotective properties. GLP-1 receptor agonists are pharmacological agents that mimic the actions of native GLP-1 while overcoming its short physiological half-life through structural modifications that enhance stability and prolong activity.

Biased Agonism: Biased agonism describes the ability of certain ligands to selectively activate specific intracellular signaling pathways downstream of G protein -coupled receptor (GPCR) activation. Instead of uniformly engaging all pathways, biased ligands can preferentially stimulate G protein -mediated signaling (such as Gs and cAMP production) while reducing β-arrestin recruitment and receptor internalization. In the case of GLP-1 receptors, biased agonists induce cAMP production, with minimized β arrestin recruitment. By reducing arrestin -dependent receptor internalization and desensitization, biased GLP-1 agonists could achieve prolonged receptor activation, leading to potential superior metabolic efficacy. In contrast, "unbiased" GLP-1 receptor agonists - such as liraglutide, dulaglutide, and semaglutide - activate both cAMP and β-arrestin pathways in a balanced manner. Such dual engagement inevitably drives significant receptor internalization, which limits long-term therapeutic efficacy.

Injectable Ecnoglutide (XW003): Through a structure-guided rational design strategy, ecnoglutide was engineered as a once-weekly, cAMP-biased GLP-1 receptor agonist with 84% sequence homology to human GLP-1(7-37) that selectively binds to and activates the GLP-1 receptor, the natural target of endogenous GLP-1 which serves as a physiological regulator of appetite and caloric intake. As such, injectable ecnoglutide (XW003) reduces food intake and body weight through appetite modulation. Conjugation of a C18 diacid fatty acid to peptide sequence contributed to an extended half-life primarily through albumin binding, which reduces renal clearance and protects against metabolic degradation, while also demonstrating resistance to degradation by NEP and DPP-4 enzymes to maintain stability.

This molecular design achieves selective activation of the cAMP signaling pathway while minimizing β-arrestin recruitment, which delivers three differentiated clinical advantages: (i) prolonged receptor activation by reducing receptor internalization and desensitization; (ii) delivers enhanced glycemic control relative to unbiased GLP-1 receptor agonists; and (iii) enhanced appetite suppression and weight reduction, supporting greater therapeutic impact in the chronic weight management.

The following diagram demonstrates different mechanism of action of biased and unbiased GLP-1 receptor agonist:



Market Opportunity and Competition

In 2024, the global market for overweight/obesity drugs reached USD16.9 billion. It is projected to expand to USD41.7 billion by 2029 and USD57.7 billion by 2034, representing a robust CAGR of 19.8% from 2024 to 2029 and a steady CAGR of 6.7% from 2029 to 2034. In 2024, GLP-1 drugs accounted for approximately 87.0% of the global overweight/obesity drug market. With more GLP-1 products entering the market and their use expanding across patient populations, this share is expected to rise further, reaching 92.6% by 2029.

In 2024, the global diabetes drug market reached USD99.3 billion. It is projected to grow to USD128.1 billion by 2029 and USD139.4 billion by 2034, representing a CAGR of 5.2% from 2024 to 2029 and a slower CAGR of 1.7% from 2029 to 2034. In 2024, GLP-1 therapies accounted for 41.1% of the global diabetes drug market. As clinical usage broadens and more products gain regulatory approval, the share of GLP-1 drugs is projected to rise to 53.4% by 2029, solidifying their position as a key therapeutic pillar in modern diabetes management.

Competitive Advantages

- **The World's First Approved cAMP-Biased GLP-1 Receptor Agonist.** Injectable ecnoglutide (XW003) is the first approved cAMP-biased GLP-1 receptor agonist. Unlike unbiased GLP-1 receptor agonists that activate both cAMP and β-arrestin pathways, it selectively activates the beneficial cAMP pathway while minimizing β-arrestin recruitment. This prevents receptor desensitization and ensures sustained therapeutic action, enhanced glycemic control, and superior appetite suppression.

- **High Response Rate.** 92.8% of Chinese obese patients achieved clinically meaningful weight loss (≥5% body weight). Such a responder rate exceeds the corresponding outcomes observed with the competing products, such as semaglutide (85.3%) at the same level of dose (2.4 mg), tirzepatide (85.8%) at a fraction of the dose (15 mg), and mazdutide (81.6%) at a half of the dose of (6 mg), according to Frost & Sullivan.

- **Better Efficacy.** Injectable ecnoglutide (XW003) also achieved 15.1% placebo-adjusted weight loss in Chinese obese patients (average weight loss in women is 17.6%), outperforming semaglutide (8.5%) and matching tirzepatide's efficacy at a fraction of the dose (2.4 mg vs. 15 mg) based on published clinical data. In T2DM, injectable ecnoglutide (XW003) achieved HbA1c reductions up to 2.43% with 76.1% of patients reaching HbA1c≤6.5%, according to Frost & Sullivan.

- **Well-Tolerated Safety Profile.** Over 2,000 subjects have been enrolled in clinical trials of injectable ecnoglutide (XW003). Treatment was generally well tolerated, with only mild-to-moderate gastrointestinal events comparable to those seen with approved GLP-1 therapies. The discontinuation rate was low, demonstrating a good patient adherence. No serious safety concerns were identified across the study population and relatively few injection site reactions than existing competing products. According to Frost & Sullivan, injectable ecnoglutide (XW003) had only 0.6% of patients showed injection site reaction (2.4 mg), outperforming semaglutide (1.0%) at the same level of dose (2.4 mg) and substantially lower than tirzepatide (8.0%) with the level of dose (15 mg) that can achieve the same level of placebo adjusted weight loss (15.1%).

- **Cardiometabolic Benefits.** Clinical outcomes include comprehensive metabolic improvements in liver fat, waist circumference, blood pressure, lipid profile, HbA1c, fasting glucose, and insulin level along with a notable reduction in uric acid levels up to 54.3 μmol/L.

Summary of Clinical Trials

The following table sets forth an overview of completed, ongoing and planned major clinical studies of our Core Product as of the Latest Practicable Date.

Study Ref.	Phase	Trial Design[1][2]	Participant Type	Region	Patient Enrollment	Status
Completed Clinical Studies						
SCW0502-1131 or SLIMMER	III	Multicenter, double-blind, randomized, placebo-controlled study to evaluate efficacy and safety in overweight/obese patients with poor weight control through diet and exercise	Chinese overweight/obese patients	China	664	Apr 2023 – Jun 2024
SCW0502-1032 or EECOH-2 .	III	Multicenter, open label, randomized, active drug controlled (dulaglutide 1.5 mg) study to evaluate efficacy and safety in T2DM patients receiving combined therapy with metformin	Chinese T2DM patients	China	623	Feb 2023 – Jul 2024
SCW0502-1031 or EECOH-1 .	III	Multicenter, double-blind, randomized, placebo-controlled study to evaluate efficacy and safety in treatment-naïve or treatment-experienced washout T2DM patients	Chinese T2DM patients with inadequate glycemic control after diet and exercise intervention	China	211	Jan 2023 – Jun 2024
SCW0502-1121 .	II	International multi-center, open-label, randomized, active drug (liraglutide 3 mg) controlled study to evaluate efficacy and safety in adult obese patients	Overseas obese patients	Australia and New Zealand	206	Nov 2021 – Dec 2022
SCW0502- 1021	II	Multicenter, double-blind, randomized, placebo-controlled study to evaluate efficacy and safety in adult subjects with T2DM	Chinese T2DM patients	China	145	Aug 2021 – Jun 2022
SCW0502-1014 .	Ic	Multicenter, double-blind, randomized, placebo-controlled study to evaluate PK, safety, and tolerability in obese/overweight Chinese adults	Chinese obese/overweight patients	China	60	Feb 2022 – Nov 2022
SCW0502-1013 .	Ia	Single-center, double-blind, randomized, placebo-controlled, single/multiple-dose study to evaluate PK, safety and tolerability	Chinese healthy subjects	China	50	Jun 2021 – Apr 2022
SCW0502-1011/ 1012	I	Single-center, double-blind, randomized, placebo-controlled, single-dose/multi-dose study to evaluate PK, safety and tolerability	Foreign healthy subjects	Australia	64	Mar 2020 – Sep 2021

Study Ref.	Phase	Trial Design[1][2]	Participant Type	Region	Patient Enrollment	Status
Ongoing Clinical Studies						
SCW0502-5032 .	III	Multi-center, randomized, double-blind, placebo-controlled multi-dose study to evaluate efficacy and safety in Chinese OSA and obese patients undergoing PAP therapy	Chinese OSA and obese patients undergoing PAP therapy	China	140 planned	Initiated in February 2026 and expect to complete in 2028
SCW0502-5031 .	III	Multi-center, randomized, double-blind, placebo-controlled multi-dose study to evaluate efficacy and safety in Chinese OSA and obese patients not under going PAP therapy	Chinese OSA and obese patients not undergoing PAP therapy	China	140 planned	Initiated in February 2026 and expect to complete in 2028
SCW0502-1122 or SLIMMER UP-SWITCH .	II	Multi-center, randomized, open-label, switch therapy study to evaluate efficacy and safety of XW003 versus semaglutide injection	Chinese moderate-to-severe obese patients	China	160 planned	Initiated in July 2025 and expect to complete in 2027H1
SCW0502-1111 .	Ib	Randomized, double-blind, placebo-controlled multi-dose study to evaluate safety, tolerability, PK and PD in Chinese adolescent obese patients	Chinese adolescent obese patients	China	48 planned	Initiated in August 2025 and expect to complete in 2026Q3

Notes:

(1) We are the sole sponsor for all clinical trials of our Core Product up to the Latest Practicable Date.

(2) The selection of placebo comparators in certain studies (SCW0502-1131 and SCW0502-1111) listed above because no comparable products have been launched on the market at the time of study design. While in study SCW052-1032, dulaglutide was chosen as positive control due to it was already approved as standard of care in T2DM.

Overview of Key Clinical Trials of Injectable Ecnoglutide (XW003) Indicated for Overweight/Obesity

A Phase III, multi-center, randomized, double-blind placebo-controlled study to evaluate efficacy and safety of ecnoglutide in adults with overweight or obesity in China (SLIMMER study)

Overview. This was a multi-center, randomized, double-blind, placebo-controlled Phase III clinical trial to evaluate safety and efficacy of injectable ecnoglutide (XW003) in adult participants with obesity or overweight with at least one comorbidity in China. The primary objective for this study was to assess the efficacy and safety of once weekly injectable ecnoglutide (XW003) versus placebo for the treatment of overweight/obesity in Chinese adults. The results of the trial were published on *Lancet Diabetes & Endocrinology* in June 2025 and presented orally at 2025 American Diabetes Association scientific sessions.

Trial Design. The study comprised a 2-week screening period, a 48-week treatment period, and a 7-week safety follow-up period. Participants were randomly assigned (3:3:3:1:1:1) to receive ecnoglutide (1.2, 1.8, or 2.4 mg) or volume-matched placebo, with stratification according to BMI at screening (≥28 kg/m^2 and <28 kg/m^2). Eligible participants received either ecnoglutide or volume-matched placebo subcutaneously once weekly for 48 weeks, followed by a 7-week safety follow-up period. Ecnoglutide (or matching placebo) was initiated at 0.3 mg once weekly, and escalated every 4 weeks (to 0.6 mg, 1.2 mg, 1.8 mg, and 2.4 mg) until the maintenance dose of 1.2 mg was reached at week 8, 1.8 mg at week 12, and 2.4 mg at week 16, respectively.

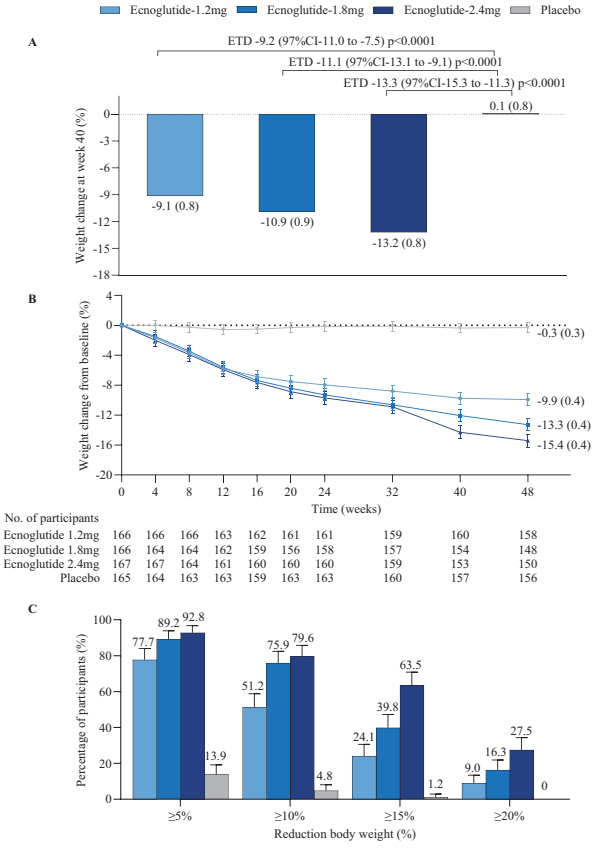
The coprimary efficacy endpoints were the percentage change in bodyweight from baseline and the proportion of participants with reduction of 5% or more in bodyweight at week 40. The secondary efficacy endpoints, among others, were the absolute and percentage changes in bodyweight from baseline at week 48 and the proportion of participants with a bodyweight reduction of 5% or more, 10% or more, 15% or more, and 20% or more at week 48. The key safety endpoints were the incidence of treatment emergent adverse events and serious adverse events up to week 55.

The inclusion criteria for this study included (i) eligible adults were aged 18–75 years, had a BMI of 28 kg/m^2 or higher, or of ≥24 kg/m^2 and <28 kg/m^2 with at least one weight-related comorbidity, and (ii) had a self-reported reduction of no more than 5% in bodyweight controlled with diet and exercise in the 3 months before screening. Key exclusion criteria included a history of diabetes (type 1 or 2), HbA1c of 6.5% or higher, previous or planned surgery for bodyweight loss, and a history of acute or chronic pancreatitis.

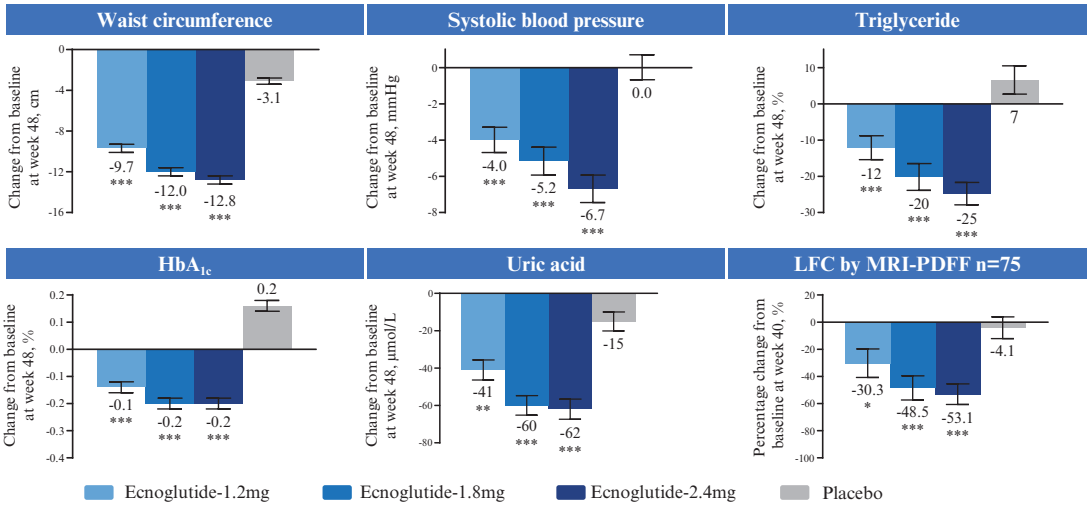
Trial Status. This study was initiated in April 2023 in China and completed in June 2024.

Efficacy Profile. Early response to ecnoglutide treatment was observed, with all ecnoglutide groups showing greater bodyweight loss than in the placebo group as early as first visit at week 4. A sustained reduction in bodyweight was observed in all ecnoglutide groups during the entire treatment period.

The proportion of participants with a reduction in bodyweight loss of at least 5% at week 48 was 78% (129 of 166 patients) in the ecnoglutide 1.2 mg group, 89% (148 of 166 patients) in the ecnoglutide 1.8 mg group, and 93% (155 of 167 patients) in the ecnoglutide 2.4 mg group versus 14% (23 of 165 patients) in the placebo group (p<0.0001 for all).The proportions of participants with a reduction in bodyweight of 10% or higher, 15% or higher, and 20% or higher were also significantly higher in the ecnoglutide groups than in the placebo group (p<0.0001 for all). 46 (28%) of 167 participants in the ecnoglutide 2.4 mg group had a reduction in bodyweight of 20% or higher at week 48, while no patients in the placebo group did.



Participants in all ecnoglutide groups had significant improvements when compared with the placebo group in terms of changes from baseline to week 48 in weight related parameters (e.g., BMI and waist circumference) and cardiometabolic risk factors, which include comprehensive metabolic improvements in liver fat, blood pressure, lipid profile, HbA1c, fasting glucose, and insulin level along with a notable reduction in uric acid levels up to 54.3 μmol/L.



Data are LSM ± SE. * p=0.01, ** p<0.001 and *** p<0.0001 vs placebo. Uric acid data from post-hoc analysis.
MRI-PDFF=Magnetic Resonance Imaging-Proton Density Fat Fraction. LFC=Liver fat content.

Safety Profile. The incidence of adverse events was similar across the ecnoglutide groups, with 93% (155/166) in the 1.2 mg group, 93% (154/166) in the 1.8 mg group, and 93% (156/167) in the 2.4 mg group, while a lower rate of 84% (139/165) was observed in the placebo group. The most frequently reported adverse events in the ecnoglutide groups were decreased appetite and gastrointestinal adverse events, including diarrhea, nausea and vomiting. Most gastrointestinal adverse events were mild to moderate in severity and transient and decreased over time. None of the participants developed pancreatitis, medullary thyroid cancer, or severe gallbladder-related adverse events.

Overview of Key Clinical Trials of Injectable Ecnoglutide (XW003) Indicated for T2DM

A Phase III, multi-center randomized, double-blinded, placebo-controlled study to evaluate efficacy and safety of ecnoglutide in T2DM adult participants with inadequate glycemic control after diet and exercise intervention in China (EECOH-1 study)

Overview. This was a randomized, double-blind, placebo-controlled, Phase III clinical trial of XW003, enrolling 211 adults with T2DM that was inadequately controlled by diet and exercise at 33 sites in China. The primary objective of this study was to evaluate the efficacy of injectable ecnoglutide (XW003) administered for 24 weeks in adults with T2DM.

Trial Design. Participants were randomized to receive 0.6 or 1.2 mg XW003 or placebo as once weekly injections for 24 weeks, including dose escalation. All participants then received XW003 (0.6 or 1.2 mg) for a total duration of up to 52 weeks. Changes in mean HbA1c, body weight, and BMI, as well as safety and tolerability were evaluated.

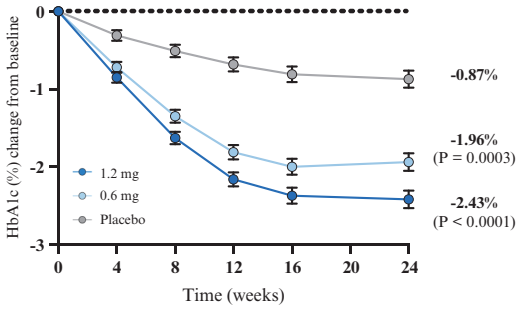
Trial Status. This study was initiated in January 2023 and completed in June 2024 in China.

Efficacy Profile. XW003 resulted in significant declines in HbA1c from baseline of up to 2.43% after 24 weeks of treatment in adults with T2DM. The majority of participants

receiving XW003 achieved HbA1c of less than 7% (the ADA's recommended target for people with diabetes) and up to 76.1% of participants reached normoglycemia (HbA1c ≤6.5%). Injectable ecnoglutide (XW003) treatment resulted in significant body weight decreases from baseline, with weight reductions ≥5% in up to 43.7% of participants.

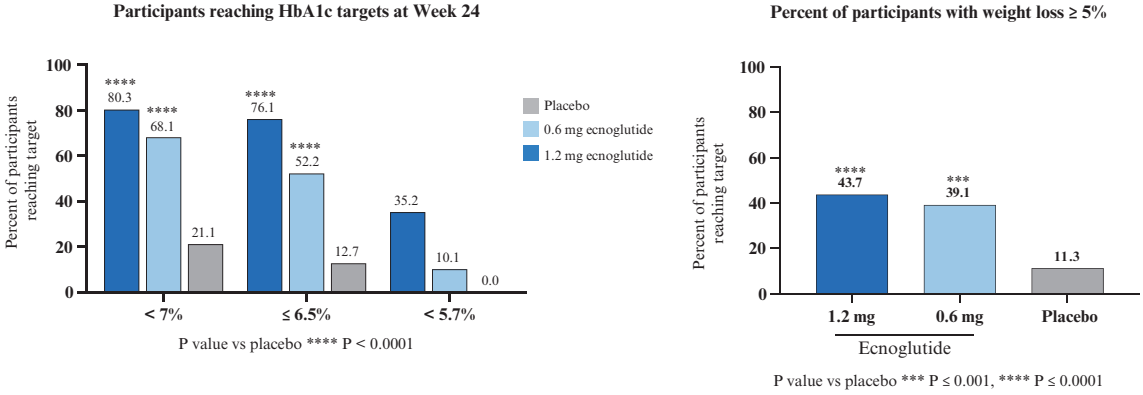
XW003 taken once weekly as monotherapy for 24 weeks (including a dose escalation period), resulted in significant reductions in HbA1c (up to 2.43%) and body weight (up to 4.74%) in adults with T2DM.

The following table summarizes HbA1c change from baseline at week of 24:



Least squares mean and standard error are shown; p values are compared to placebo

The following charts show proportion of participants reaching efficacy targets at week 24:



Safety Profile. TEAEs were mostly mild to moderate and occurred during dose escalation. Three (1.4%) participants (one in each group) discontinued study drug due to a TEAE. Serious adverse events were low (4-6%) with no treatment-related deaths. The most frequent adverse events were decreased appetite (26.8% and 21.7% vs 4.2% placebo), diarrhea (24.6% in 0.6mg group), and nausea (7.2-12.7%).

A Phase III, multicenter, open-label, randomized and non-inferiority study to evaluate efficacy and safety of XW003 versus dulaglutide in patients with T2DM and elevated glucose concentrations on metformin monotherapy (EECOH-2 study)

Overview. This was a 52-week, open-label, active-controlled, Phase III trial at 52 hospitals in China. The primary objective of this study was to evaluate both non-inferiority and superiority of injectable ecnoglutide (XW003) versus dulaglutide, also a GLP-1 receptor agonist, in patients with T2DM. The results of the trial were published on *Lancet Diabetes & Endocrinology* in August, 2025.

Trial Design. Adults aged 18–75 years with a BMI of 20–35 kg/m^2, a diagnosis of T2DM, and elevated glucose concentrations on metformin monotherapy were included. Participants were randomly assigned (1:1:1) to receive subcutaneous ecnoglutide (0.6 mg or 1.2 mg) or dulaglutide (1.5 mg) once weekly.

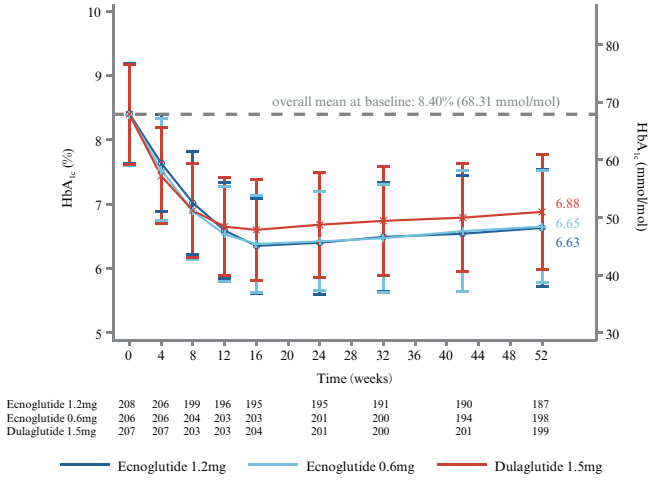
The primary endpoint was mean change from baseline in HbA1c at week 32 (non-inferiority for ecnoglutide 0.6 mg and 1.2 mg, with a 0.4% non-inferiority margin; superiority for ecnoglutide 1.2 mg) and was assessed in all randomly assigned participants who received at least one dose of study treatment (full analysis set). Safety was assessed in all randomly assigned participants who received at least one dose of study drug and had at least one safety evaluation after starting treatment.

Trial Status. This study was initiated in January 2023 in China and completed in July 2024.

Efficacy Profile. Significantly higher proportions of participants receiving ecnoglutide reached HbA1c levels of 6.5% (47.54 mmol/mol) or less and less than 5.7% (38.80 mmol/mol) at weeks 32 and 52 versus those receiving dulaglutide 1.5 mg ($p<0.05$). Significantly greater reductions from baseline in bodyweight were observed with ecnoglutide compared with dulaglutide at both week 32 and week 52 ($p<0.0001$ for all).

At both weeks 32 and 52, statistically significantly larger proportions of participants reached 5% or higher and 10% or higher reductions in bodyweight in the ecnoglutide 0.6 mg and 1.2 mg groups than in the dulaglutide 1.5 mg group. At both weeks 32 and 52, significantly larger reductions from baseline in BMI, waist circumstance, and hip circumstance were observed with ecnoglutide 1.2 mg and 0.6 mg versus dulaglutide 1.5 mg.

At week 52, triglycerides were significantly reduced in the two ecnoglutide groups than in the dulaglutide 1.5 mg group. The following diagram shows change from baseline in HbA1c over time:



Safety Profile. Adverse events occurred in 174 (85%) of 206 participants in the ecnoglutide 0.6 mg group, 193 (93%) of 208 participants in the Ecnoglutide 1.2 mg group, and 181 (87%) of 207 participants in the dulaglutide 1.5 mg group. Most adverse events were of mild or moderate severity. Adverse events led to treatment discontinuation in six (3%) participants in the ecnoglutide 0.6 mg group, eight (4%) participants in the ecnoglutide 1.2 mg group, and six (3%) participants in the dulaglutide 1.5 mg group. Two deaths occurred: one in each ecnoglutide group. One case was due to sudden cardiac death, and the other was due to myocardial infarction; both cases were assessed by the investigator to be unlikely related to the study treatment.

Clinical Development Plan

Except for overweight/obesity and T2DM indications, we are also expanding the indications of injectable ecnoglutide (XW003) into moderate-to-severe obesity, adolescent obesity, MASH, OSA and other obesity related comorbidities. We have initiated a Phase II study for moderate-to-severe obesity and a Phase Ib study for adolescent obesity in China. We received the NMPA approval for conducting a Phase III trial for the treatment of OSA in January 2026 and initiated the Phase III trial in February 2026. We are also planning for a Phase IIb trial for MASH.

SLIMMER UP-SWITCH Study

We have initiated a Phase II multi-center, randomized, open-label, switch therapy study, namely the SLIMMER UP-SWITCH study, in China to evaluate the efficacy and safety of injectable ecnoglutide (XW003) in moderate-to-severe obese patients compared to semaglutide injection. This planned study is designed to enroll 160 subjects. As of the Latest Practicable Date, the patient enrollment has been completed.

Expanding into Adolescent Obesity Indication

We have initiated a Phase Ib randomized, double-blind, placebo-controlled multi-dose study in China to evaluate the safety, tolerability, PK and PD in Chinese adolescent obese patients. As of the date of this Document, the patient enrollment has been completed.

Material Communications with Competent Authorities

Study	Jurisdiction	Phase	Competent Authorities	Details of Communications
Obesity[(2)] . .	China	Phase I-III	NMPA	– In November 2020, the NMPA approved the IND application for obesity indication. – In November 2022, we completed the Phase I clinical trial for obesity indication in China. The Company then completed the Phase II clinical trial in Australia and New Zealand in December 2022 and it completed the Phase III clinical trial in China by June 2024. The Company has not received any objection from the NMPA regarding its commencement of the aforementioned clinical trials. – In December 2024, the BLA for obesity indication was accepted by NMPA. – In March 2026, the NMPA approved the obesity treatment.
Obesity*. . .	Australia	Phase I	Alfred Hospital Ethics Committee (HREC)/TGA	– In February 2020, HREC granted ethics approval.
Obesity*. . .	Australia	Phase II	Bellberry Human Research Ethics Committee (HREC)/TGA	– In November 2021, HREC granted ethics approval.

Study	Jurisdiction	Phase	Competent Authorities	Details of Communications
Obesity*	New Zealand	Phase II	Medsafe/HDEC	– In December 2021, Medsafe granted approval for the clinical trial. – In January 2022, HDEC granted the ethics approval.
T2DM[3]	China	Phase I-III	NMPA	– In November 2020, the NMPA approved the IND application for T2DM indication. – In April 2022, we completed a Phase I clinical trial for T2DM indication in China, and progressed to the Phase II clinical trial in China by August 2021. We had not received any objection from the NMPA regarding our commencement of the Phase II clinical trial. – In November 2024, the BLA for T2DM indication was accepted by NMPA. – In January 2026, the NMPA approved the T2DM treatment.
Adolescent obesity	China	Phase Ib	NMPA	– In June 2025, the NMPA approved the IND application for adolescent obesity indication.
MASH	China	Phase I	NMPA	– In February 2021, the NMPA approved the IND application for MASH indication.
Moderate-to-severe obesity[4]	China	Phase II	NMPA	– In July 2025, we initiated a Phase II clinical trial in China. As of the date of this Document, we had not received any objection from the NMPA regarding our commencement of the Phase II clinical trial.
OSA[4]	China	Phase III	NMPA	– In January 2026, the NMPA approved the IND application for OSA indication.

Notes:

(1) The clinical trials in Australia and New Zealand primarily aimed to evaluate efficacy of XW003 in Caucasian patients. As of the Latest Practicable Date, the trials did not advance to the next phase. We may consider conducting further studies to expand into such markets or leverage partnership for these regions in the future.

(2) In line with standard regulatory practice, we initiated Phase Ic study (SCW0502-1014) after the results of our Phase Ia study (SCW0502-1013) confirming the tested drug candidates' safety. Such results were obtained prior to the full completion of Phase Ia study.

(3) In line with standard regulatory practice, we initiated and concurrently conducted Phase Ia and Phase II studies (SCW0502-1013 and SCW0502- 1021). We initiated Phase Ia and Phase II studies after our Phase I study confirmed favorable results. Such results was obtained prior to the full completion of Phase I study.

(4) In line with standard regulatory practice, we were granted an exemption from conducting a Phase I study for the moderate-to-severe obesity and OSA indications. The exemption was based on the drug candidate's demonstration of the fundamental safety, tolerability and pharmacokinetic profile in healthy Chinese subjects.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET INJECTABLE ECNOGLUTIDE (XW003) SUCCESSFULLY.

OUR KEY PRODUCTS

XW004 — Once-Weekly Oral Formulation of Ecnoglutide

Overview

Our XW004 is a self-developed, once-weekly oral formulation of ecnoglutide designed for the treatment of obesity and related diseases. XW004 utilizes a novel absorption enhancer (T2026), engineered to overcome the pharmaceutical challenges of oral peptide delivery, significantly increasing bioavailability compared to existing oral GLP-1 peptide formulations. According to Frost & Sullivan, XW004 is potentially the world's first and only weekly long-acting oral cAMP-biased GLP-1 peptide analog and has potential to present injectable-like efficacy.

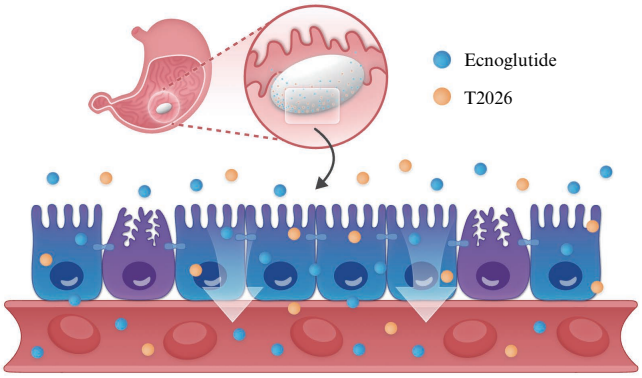
In July 2024, we completed Phase I clinical trials for the treatment of obesity in Australia, which demonstrates that XW004 is generally safe and well tolerated and has outstanding efficacy with pronounced weight loss. In November 2025, we initiated a Phase Ib/IIa clinical trial of XW004 for the treatment of obesity in China. In addition, we have licensed out XW004's global rights excluding Greater China and Korea to Verdiva, who is planning to conduct a Phase II clinical trial of XW004 for the treatment of obesity in the U.S.

According to the collaboration agreement between Verdiva and Sciwind, XW004 is licensed to Verdiva for development and commercialization in markets outside of Greater China and Korea. This collaboration has the potential to maximize our product value through overseas expansion and establishes a foundation for XW004's future international commercialization.

Mechanism of Action

XW004 is an oral formulation of injectable ecnoglutide (XW003) that incorporates a proprietary absorption enhancer T2026 to overcome the fundamental challenges of oral peptide delivery. Upon oral administration, T2026 elevates local pH to protect ecnoglutide from pepsin degradation and promotes ecnoglutide monomerization to enhance permeability. T2026 also facilitates transcellular transport by reversibly inserting into gastric epithelial cell membranes while maintaining compatibility with ecnoglutide's C18 fatty diacid side chain. This absorption enhancement enables higher oral bioavailability compared to existing oral GLP-1 peptide treatments, allowing XW004 to deliver injection-like efficacy through convenient oral administration. Once absorbed, XW004 exerts its therapeutic effects through the same cAMP-biased GLP-1 receptor agonist mechanism as XW003, selectively activating beneficial cAMP signaling while minimizing β-arrestin recruitment for sustained glucose-dependent insulin secretion, glucagon suppression, delayed gastric emptying, and appetite suppression without receptor desensitization.

Since most of approved obesity treatments require injectable administration, XW004 addresses this critical unmet need by providing patients with excellent therapeutic outcomes while eliminating injection-related discomfort and improving treatment adherence for chronic weight management. The following diagram shows the mechanism of action of XW004:



Competitive Advantages

- **World's First and Only Weekly Oral cAMP-Biased GLP-1 Treatment.** XW004 is the world's first long-acting oral biased GLP-1 peptide, achieving once-weekly oral dosing through proprietary oral delivery technology. This delivers higher oral bioavailability compared to existing oral GLP-1 treatments, enabling weekly oral dosing that matches or exceeds weekly subcutaneous analog exposure.

- **Injectable-Like Performance with Superior Efficacy.** XW004 demonstrates injectable-like efficacy with 6.8% weight reduction at 6 weeks — significantly outperforming oral competitors Rybelsus® (2.3%) and orforglipron (4.3%) based on published clinical data. Clinical trials confirmed once-weekly dosing viability with excellent tolerability and no serious adverse events.

- **Lower API Requirements vs. Daily Dosing.** XW004's weekly dosing schedule significantly reduces API requirements compared to daily oral formulations over the same treatment period. This translates to significant manufacturing cost advantages, improved supply chain efficiency, and enhanced commercial viability while maintaining excellent therapeutic outcomes through sustained exposure enabled by proprietary delivery technology.

Summary of Clinical Trials

The following table sets forth an overview of completed, ongoing and planned major clinical studies of XW004 as of the Latest Practicable Date.

Study Ref.	Phase	Trial Design	Participant Type	Indication	Region	Patient Enrollment	Status
SCW0503-1011 . .	I	Single-center, randomized, double-blind, placebo-controlled, topline study to evaluate safety and tolerability, PK, and efficacy	Healthy and healthy obese adult participants	Obesity	Australia	87	Apr 2022-Jul 2024

The following sets forth an overview of the key clinical trial of XW004.

Single-Center, Randomized, Double-Blind, Placebo-Controlled, Topline Study to Evaluate Safety and Tolerability, PK, and Efficacy.

Overview. This was a single-center, randomized, double-blind, placebo-controlled, Phase I clinical trial to evaluate safety and tolerability, pharmacokinetics, and pharmacodynamics of XW004 in healthy and healthy obese adult participants. The trial was conducted at a single site in Australia.

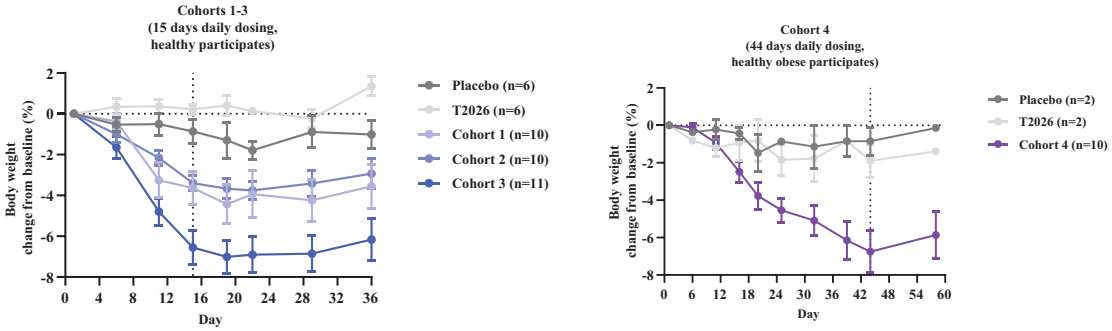
Trial Design. The study enrolled 43 healthy and 44 healthy obese participants. Participants were randomized to receive placebo, T2026, or XW004 as once-daily oral tablets. In Cohorts 1-3, target doses were 7 mg, 15 mg, or 30 mg XW004 once daily for 2 weeks (15 days); in Cohort 4, the target dose was 30 mg XW004 once daily for 6 weeks (44 days); and in Cohort 5, the target doses were 60 mg XW004 once weekly for 12 weeks. Treatment periods included gradual dose escalation to the target doses.

Trial Status. This study was initiated in Apr 2022 in Australia and completed in Jul 2024.

Efficacy Profile. XW004 resulted in pronounced weight loss after 6 weeks of dosing. A daily dose of 15 or 30 mg XW004 matched or exceeded the exposure of weekly subcutaneous GLP-1 analogs. It demonstrates the potential to be once-weekly oral GLP-1 receptor agonist.

At baseline, participants had a mean BMI of 25.8 to 26.1 kg/m^2 (Cohorts 1 to 3) and 32.9 kg/m^2 (Cohort 4). At end of treatment, participants in Cohorts 1 to 3 receiving up to 7, 15, or 30 mg QD oral ecnoglutide for 2 weeks had body weight change from baseline of 3.63%, 3.38%, and 6.55%, respectively vs 0.85% for placebo. Participants in Cohort 4 receiving up to 30 mg QD for 6 weeks had a body weight reduction of 6.76% vs 0.85% for placebo.

The following charts show percentage change in body weight from baseline:



Safety Profile. XW004 was generally safe and well tolerated. Overall, 84.5% of patients experienced TEAEs with most events being mild to moderate in severity. No SAEs were reported across any dose group, and only the 30mg cohort experienced TEAEs leading to drug withdrawal (3.2% of patients), while all other dose groups had no discontinuations due to adverse events because higher incidence of AEs in Cohort 3 was attributed to the higher starting dose of 7 mg.

Pharmacokinetics Profile. In Cohort 5, after the last 60 mg weekly oral dose of XW004, PK samples were collected up to 168 hours post-dosing and PK parameters for the 7-day period were calculated. This 7-day PK profile was then used to calculate the steady state PK of 60 mg and model 90 mg QW dosing. The PK of 60 mg QW dose to reach a steady state weekly exposure (AUC 0-168h) of 40,500 h*ng/mL, and modeled 90 mg QW dose to reach exposure of 58,000 h*ng/mL,. These exposures are nearing or exceeding the weekly exposure achieved by 2.4 mg injectable ecnoglutide (XW003). This data supports the rationale for XW004 to be a QW oral GLP-1 treatment. Compared with subcutaneous injections, oral QW 90 mg XW004 was projected to match or exceed the weekly exposures of subcutaneous GLP-1 injections. XW004 is expected to exert potent weight lowering while improving adherence via a more patient-friendly dosing regimen. Once-weekly oral administration represents an opportunity towards more convenient treatment option than currently available injectable GLP-1 receptor agonists.

Clinical Development Plan

In November 2025, we initiated a Phase Ib/IIa clinical trial of XW004 for the treatment of obesity in China and expected to complete in the first half of 2027. Moreover, we have established collaboration with Verdiva, which is planning to conduct a Phase II clinical trial of XW004 for the treatment of obesity in the U.S.

Material Communications with Competent Authorities

Study	Jurisdiction	Phase	Competent authorities	Details of communications
Obesity.	Australia	Phase I	Bellberry Human Research Ethics Committee (HREC)	In January 2022, HREC granted approval.
Obesity.	China	IND	NMPA	In July 2025, the IND application for obesity indication was accepted by NMPA.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XW004 SUCCESSFULLY.

XW014 — Phase I Once-Daily Oral Small Molecule cAMP-biased GLP-1 Receptor Agonist

Overview

XW014 is a once-daily oral cAMP-biased GLP-1 receptor agonist, offering substantial manufacturing and formulation advantages as a small molecule with superior production scalability and cost-effectiveness.

We completed the Phase I clinical trial in the U.S. in December 2025. The study demonstrated that XW014 delivers robust effectiveness with up to 5.6% weight loss over 43 days, presenting significant improvement in lipid profile and very low incidence of gastrointestinal disorders with less than 30%, all the TEAEs are mild to moderate.

We expect to initiate a Phase II clinical trial to further explore the efficacy in obesity and related diseases, as well as possibility for combination treatments in the first half of 2026.

Mechanism of Action

Upon receptor binding, XW014 triggers downstream signaling cascades primarily through Gs protein coupling to increase intracellular cAMP levels, leading to glucose-dependent insulin secretion, glucagon suppression, delayed gastric emptying, and central appetite suppression. XW014's biased agonism design selectively favors the beneficial cAMP signaling pathway while minimizing β-arrestin recruitment, thereby reducing receptor desensitization and maintaining sustained therapeutic efficacy.

Competitive Advantages

- **Convenient Once-Daily Oral Dosing Without Fasting Requirements.** XW014 offers superior patient convenience as a once-daily oral small molecule that can be taken with or without food, eliminating fasting requirements and timing restrictions. This convenience advantage improves patient adherence and makes XW014 ideal for long-term chronic weight management therapy.

- **Superior Pharmacokinetics Profile.** Design of XW014 achieves stable pharmacokinetic profiles with low C_{max}/C_{trough} ratio, providing consistent 24-hour drug exposure while minimizing peak-related safety concerns. This superior PK profile ensures sustained therapeutic efficacy with reduced fluctuations and better tolerability.

- **Exceptional Safety Among Small Molecule GLP-1 Receptor Agonists.** XW014 demonstrates the excellent safety profile among small molecule GLP-1 receptor agonists, with Phase I trials showing robust effectiveness and superior safety outcomes. XW014 presents very low incidence of gastrointestinal disorders with only mild to moderate TEAEs.

- **Excellent Improvement in Lipid Profiles.** XW014 trigger over 20% reduction in LDL and TG in multiple ascending dose study.

Summary of Clinical Trials

The following table sets forth an overview of completed, ongoing and planned major clinical studies of XW014 as of the Latest Practicable Date.

Study Ref.	Phase	Trial Design	Participant Type	Indication	Region	Patient Enrollment	Status
XW014-001* . . .	I	Randomized, double-blind, placebo-controlled, single and multiple oral dose study to assess safety, tolerability, food effect, pharmacokinetics, and pharmacodynamics of XW014 in healthy subjects and elevated BMI patients	Healthy subjects, healthy subjects with elevated BMI patients	Obesity	U.S.	127	Completed in December 2025

Note:

* We are the sole sponsor of this trial.

The following sets forth an overview of the key clinical trial of XW014.

Overview. This was a Phase I, randomized, double-blind, placebo-controlled, first-in-human (FIH) study to evaluate the safety, tolerability, food effect (FE), pharmacokinetics (PK), and pharmacodynamics (PD) of orally administered XW014 in healthy participants and elevated BMI patients. This study will consist of 4 parts: a Single Ascending Dose (SAD) part in healthy subjects (Part A), and multiple ascending dose study parts in healthy subjects with elevated BMI (Part B and Part B-EXT). The trial was conducted in U.S.

Trial Design. The study enrolled 127 healthy participants. Participants were randomized to receive placebo or XW014 as once-daily oral treatments. This study has enrolled 43 healthy participants in Part A to receive a single oral dose of either XW014 or placebo in each of the planned SAD cohorts. 84 healthy participants were enrolled in Part B and Part B-EXT and randomized to receive oral doses of XW014 or placebo in each of the planned MAD cohorts.

Trial Status. We successfully completed the trial in U.S. in December 2025.

Efficacy Profile. XW014 resulted in pronounced weight loss after 6 weeks of dosing. At baseline, participants had a mean BMI of 30 to 40 kg/m^2 (Part B-EXT). At end of treatment, participants receiving up to 120 or 140 mg QD XW014 for 6 weeks had body weight reduction from baseline of 4.16% and 5.57%, respectively. 140 mg of XW014 has presented significant improvements in lipid profile comparing to placebo, triggered over 20% reductions in triglycerides, LDL and total cholesterol at week 6.

Safety Profile. XW014 presented the exceptional safety profile among GLP-1 receptor agonists. Overall, 66.7% of XW014 study subjects experienced mild to moderate TEAEs, with no severe, life-threatening, or fatal events reported. No SAEs were observed across any dose group. Only 29.2% of subjects experienced gastrointestinal-related side effects, with only one subject (4.2%) discontinuing treatment due to tolerability issues. The most frequently reported adverse events were headache (16.7%) and diarrhea (12.5%), with gastrointestinal disorders representing the primary system organ class affected.

Material Communications with Competent Authorities

Study	Jurisdiction	Phase	Competent authorities	Details of communications
Obesity.	United States	Phase I	FDA	In August 2022, the FDA issued a "Study May Proceed" letter for our IND application, permitting our commencement of the Phase I clinical trial.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XW014 SUCCESSFULLY.

PRECLINICAL-STAGE DRUG CANDIDATES

XW015 and XW016 — IND-Enabling Amylin Peptide Analogs

Overview

XW015 is a long-acting injectable amylin receptor agonist. It could be co-formulated with GLP-1 injectable therapies, a technical advancement that eliminates the need for dual injections or complex devices. XW016 is the world's first oral amylin peptide analog in development, according to Frost & Sullivan. It leverages our proprietary oral delivery technology and optimized fatty acid modifications to achieve high oral bioavailability without compromising therapeutic activity.

Both candidates offer significant differentiation by providing treatment options for GLP-1-intolerant patients as well as combination therapy. Through advanced molecular engineering, we solved the industry-wide co-formulation challenge due to the instability of amylin at neutral pH. XW015 could be co-formulated with GLP-1 injectable therapies, a technical achievement that eliminates the need for dual injections or complex devices. The combination exhibited better efficacy than CagriSema. Studies in non-human primates confirmed high exposure with a single fixed-dose co-formulated tablet between XW016 and XW004.

Currently in IND-enabling studies, these global first-wave amylin peptide analogs, particularly the oral amylin peptide analog, are optimized for treating obesity, T2DM, and MASH as both monotherapy and in combinations with GLP-1 for global patients.

XW019 and XW020

XW019 is an early-stage project focused on the development of a monthly injectable biologic designed to address body weight regulation and metabolic disorders. This innovative candidate leverages multiple complementary mechanisms of action to enhance metabolic balance and promote sustained weight reduction, offering the potential for superior efficacy over current competitive molecules. Engineered for extended duration of action, the therapy is optimized for convenient dosing and improved patient adherence, positioning it as a promising next-generation treatment in the obesity and related diseases. We are planning to submit the IND application in the first half of 2027.

XW020 is a long-acting injectable peptide promoting weight reduction and helping preserve muscle mass. XW020 acts through distinct mechanisms that not only promote body weight reduction but also help preserve muscle mass, addressing a key limitation of many current weight-loss therapies. By maintaining muscle integrity while reducing fat, this candidate has the potential to deliver more balanced and sustainable outcomes for patients.

This differentiated mechanism positions XW020 as a promising next-generation high-quality treatment in the evolving obesity care landscape. We are planning to file IND by the end of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XW015, XW016, XW019, AND XW020 SUCCESSFULLY.

Summary of Material Preclinical Results of Our Preclinical Drug Candidates

Drug Candidate	Preclinical Study and Material Results
XW015	In DIO rats, combination of injectable ecnoglutide (XW003) and XW015 showed greater weight loss (up to 13.9%) than either compound alone. The combination also exhibited better efficacy than CagriSema.
XW016	Studies in non-human primates confirmed high exposure with a single fixed-dose co-formulated tablet between XW016 and XW004.
XW020	Preclinical studies in DIO mice demonstrated that XW020 reduced fat mass by up to 40% as a standalone treatment and by more than 70% in combination with GLP-1, without any loss of muscle mass.

OTHER DRUG CANDIDATE

XW001 — Inhaled IL29 Indicated for Respiratory Syncytial Virus (RSV) and Influenza Virus

Apart from our weight management portfolio, we also developed XW001, which is human interleukin-29 analogue (IL-29), also known as interferon lambda (IFNλ). XW001 was optimized for inhalation. It is a broad-spectrum antiviral inhalation solution that activates the host's innate antiviral immune pathways, minimizing the risk of inducing drug resistance. XW001 is an inhaled interferon lambda-based therapeutic designed to treat respiratory viral infections — such as RSV, influenza and other respiratory infections with high unmet needs.

We have established collaboration with Sino Biopharm, under which, we completed two clinical trials in China for XW001, including (i) a Phase Ia randomized, double-blind, single and multiple dose, dose-escalation, placebo-controlled clinical trial of XW001 in healthy adults in China; and (ii) a Phase Ib/IIa randomized, double-blind, placebo-controlled clinical trial to evaluate safety, tolerability, efficacy, pharmacokinetics and immunogenicity of XW001 in Chinese infants with respiratory syncytial virus infection. Clinical results demonstrate that XW001 has a favorable safety profile and is well-tolerated in adult and pediatric populations.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XW001 SUCCESSFULLY.

OUR COLLABORATION AND LICENSING ARRANGEMENTS

During the Track Record Period, we entered into a series of license and collaboration agreements with HK inno.N Corporation ("**inno.N**"), Verdiva Bio Dev Limited ("**Verdiva**"), and a subsidiary of Sino Biopharmaceutical Limited ("**Sino Biopharm**"), respectively, for further R&D and commercialization of specific indications of certain of our drug candidates. The commercial rationale for such collaborations is that considering the market for weight management and obesity related complications is relatively dispersed, we are able to leverage

the strong R&D and the well-established sales network of our collaboration partners in China and overseas markets, which we believe is a more cost-effective and efficient way to expedite market exposure and market penetration of our drug candidates worldwide.

Arrangements with inno.N for Injectable Ecnoglutide (XW003)

On April 30, 2024, we entered into a license agreement (the "**inno.N Agreement**") with inno.N regarding the future development and commercialization of the obesity, T2DM and MASH indications of our Core Product injectable ecnoglutide (XW003) in Korea. inno.N is a leading multinational biopharmaceutical company based in Korea and listed on the Korea Exchange's KOSDAQ market.

Exclusive Arrangement. We grant inno.N an exclusive, sublicensable license (the "**License**") in relation to, among others, the development (including conducting clinical trials), registration, manufacturing and commercialization ("**Activities**") of injectable ecnoglutide (XW003) for treatments of the indications of obesity, T2DM and MASH in Korea. We shall retain our rights to develop and commercialize injectable ecnoglutide (XW003) for treatments of indications other than obesity, T2DM and MASH in Korea. Moreover, inno.N shall neither produce, sell and commercialize any competing product in Korea, nor shall it clinically develop any competing product prior to the first commercial sale of injectable ecnoglutide (XW003) in Korea.

Collaboration Management. The parties shall establish a joint steering committee (the "**JSC**") to oversee the development and commercialization in Korea. The functions of the JSC include, among others, (i) the review, discussion and approval of the overall strategy for the development and commercialization activities in Korea; (ii) the review, discussion and approval of the plan for the development of injectable ecnoglutide (XW003) in Korea; and (iii) the review and discussion of the plan for the commercialization of injectable ecnoglutide (XW003) in Korea.

R&D and Regulatory Matters. inno.N is responsible for the development of injectable ecnoglutide (XW003) in Korea at its own costs and expenses, including conducting the clinical trials necessary for obtaining the regulatory approval for the launch of injectable ecnoglutide (XW003) in Korea. inno.N is also responsible for, with commercially reasonable efforts, obtaining and maintaining the regulatory approval for the launch of injectable ecnoglutide (XW003) in Korea at its own costs and expenses. inno.N will be the approval holder. "Commercially reasonable efforts" requires inno.N, among others, to (i) promptly assign qualified personnel responsible for the relevant matters, and monitor and hold personnel accountable for progress; (ii) set periodic goals, meaningful objectives, and specified timeline consistent with a comparable priority program for carrying out relevant obligations; and (iii) allocate resources designed to diligently advance progress.

Manufacturing and Supply. We charge inno.N using cost-plus pricing on our actual manufacturing and supply costs (whether produced by us or our CMOs). If our cost-plus price exceeds the cap, we and inno.N will negotiate an acceptable price in good faith. inno.N may also at its discretion manufacture injectable ecnoglutide (XW003) for Korean sales.

Commercialization and Promotion. inno.N shall be solely responsible for the commercialization of injectable ecnoglutide (XW003) in Korea at its own costs and expenses. Moreover, inno.N shall be solely responsible for the local branding, to the extent that it does not adversely affect the global positioning and branding set by us. inno.N also has the right to determine the price of injectable ecnoglutide (XW003) in the Korea market, provided that it shall advise the JSC in advance of commencing a price discussion with relevant regulatory authorities, consider in good faith our comments on pricing, and keep us informed of any updates. To ensure that each party will benefit from the commercialization across each of their

territories and prevent any cannibalization including price competition, both parties shall engage with the JSC to follow the non-competing clause and coordinate commercialization activities, including scientific and medical communication, product positioning, joint conduct of certain activities, and allocation of responsibilities, budget and cost sharing.

Upfront, Milestone Payments and Royalty. In consideration of the License, we are entitled to several payments from inno.N, including: (i) an upfront payment in a fixed amount; (ii) development milestone payments upon achievement of specified development events, such as NDA submissions and approvals for licensed product indications in Korea; (iii) sales milestone payments upon achievement of specified annual net sales thresholds in Korea, with total payments subject to an aggregate cap; and (iv) royalty payments, calculated as a percentage of net sales in Korea and payable quarterly, with rates that escalate as annual sales cross specified thresholds. Royalty rates are reduced to a lower percentage if patent protection expires, or generic competition emerges. As of the Latest Practicable Date, we have already received the upfront payment in full and is subsequently eligible to receive up to US$56.0 million in milestone payments related to R&D, registration, and commercialization, as well as tiered royalties ranging from high-single-digit to low-double-digit percentages on product sales.

IP Rights. Each party retains ownership of the IP rights owned by it prior to the effective date of this inno.N Agreement. During the term of this inno.N Agreement, each party owns the IP rights newly generated solely by it, or jointly owns with the other party for new IP rights generated jointly by both parties. Nevertheless, inno.N shall grant a fully paid, royalty-free and sublicensable license under such new IPs back to us for the Activities with respect to injectable ecnoglutide (XW003) outside Korea.

Term and Termination. This inno.N Agreement remains effective until the royalty term expires for each licensed product. Upon natural expiration of the royalty term for a particular product, the License for that product becomes fully paid-up, royalty-free, exclusive, perpetual and irrevocable. Moreover, either party may terminate for (i) material breach of representation or warranty; (ii) non-compliance to applicable laws; or (iii) invalidity of patent rights, after providing notice and allowing a specified cure period. If the breaching party fails to cure within the designated timeframe, the non-breaching party may terminate upon written notice. inno.N may terminate the inno.N Agreement for convenience with written notice at least a specified number of days prior to the effective termination date. If we discontinue the development of injectable ecnoglutide (XW003) in China before inno.N obtains the relevant regulatory approval in Korea, inno.N shall have the right to (a) terminate the inno.N Agreement with prior written notice to us, or (b) obtain any regulatory materials from us for its continuation of development of injectable ecnoglutide (XW003) in Korea.

Arrangements with Verdiva for Portfolio of Certain GLP-1 and Amylin Receptor Agonists

On October 18, 2024, we entered into a license and collaboration agreement (as amended, the "**Verdiva Agreement**") with Verdiva regarding the future development and commercialization of a portfolio of certain GLP-1 and amylin receptor agonists, including oral ecnoglutide (XW004), subcutaneous injectable amylin receptor agonist (XW015), and oral amylin receptor agonist (XW016) (together, the "**Licensed Products**"), outside Greater China and Korea (the "**Territory**"). Verdiva is a biopharmaceutical company incorporated in England and Wales, developing next-generation therapies to help people living with obesity, cardiometabolic disorders and related complications.

Exclusive Arrangement. We grant Verdiva (i) an exclusive, exercisable option to choose among various amylin research programs regarding certain Licensed Products; (ii) an exclusive, sublicensable license in relation to the further R&D (including conducting

clinicaltrials), manufacture and commercialization ("**Activities**") of the License Products in the Territory; and (iii) a non-exclusive right to conduct certain non-clinical R&D activities and manufacture the Licensed Products outside the Territory solely for the R&D and commercialization of the Licensed Products in the Territory (clauses (ii) and (iii), the "**License**"). We shall retain the sole right to conducting the clinical development and commercialization Activities outside the Territory.

Collaboration Management. The parties shall establish a joint steering committee (the "**JSC**") consisting of representatives appointed by each party to (a) review, oversee and determine the development activities regarding amylin research programs, and (b) review and discuss the development and commercialization of the Licensed Products in the Territory. Verdiva has the sole right to make decisions regarding, among others, the development, manufacture and commercialization of the Licensed Products in the Territory.

R&D and Regulatory Matters. We are responsible for certain preclinical studies (excluding IND-enabling studies) of amylin receptor agonists within the Licensed Products until the satisfaction of the applicable option package criteria and shall provide Verdiva and the JSC with data and results generated from the preclinical studies. Moreover, each party shall be solely responsible for the further development of the Licensed Products in its respective territory at its own costs and expenses, including the performance of clinical trials necessary for obtaining regulatory approvals for marketing the Licensed Products in its respective territory. In addition, each party shall be responsible for the regulatory activities necessary for obtaining and maintaining the regulatory approvals for the Licensed Products in its respective territory, bearing its respective costs and expenses.

Manufacturing and Supply. We are responsible for, among others, supplying to Verdiva tablets of XW004 product and corresponding placebos for Verdiva to conduct a Phase II clinical trial of XW004 for the treatment of obesity in the U.S.

Commercialization and Promotion. Verdiva is solely responsible for the commercialization of the Licensed Products in the Territory at its own costs and expenses, including marketing and promotion, pricing, negotiating with relevant regulatory authorities regarding the price and reimbursement mechanisms, product distribution, and providing customer support.

Upfront, Milestone Payments and Royalty. In consideration of the License, we are entitled to several payments from Verdiva of certain Licensed Products (subject to certain conditions), including: (i) an upfront fee in a fixed amount; (ii) development milestone payments upon achievement of specified development events, such as enrolment of the first patient in certain clinical studies, first commercial sale of a Licensed Product in a region, and obtaining the regulatory approval for another indication of a Licensed Product in a region; (iii) commercial milestone payments upon achievement of specified annual net sales thresholds in the Territory, with total payments subject to an aggregate cap; (iv) sublicense fee, calculated as a percentage of certain sublicense income received by Verdiva; and (v) royalty payments, calculated as a percentage of net sales in the Territory, with rates that escalate as annual sales cross specified thresholds. Royalty rates are reduced to a lower percentage in the event of, among others, patent expiration, and decreases in net sales as a result of the emergence of a generic competing product. As of the Latest Practicable Date, we have received an upfront consideration of approximately US$70.0 million and are eligible to receive up to US$2.4 billion in milestone payments for development, regulatory approvals and commercialization of the partnered programs. Additionally, we are also eligible to receive tiered royalties future product sales outside of Chinese Mainland and South Korea.

IP Rights. Each party retains ownership of the IP rights owned by it prior to the effective date of this Verdiva Agreement or during the term and generated outside of the scope

of the Verdiva Agreement. During the term of this Verdiva Agreement, each party owns the IP rights newly generated solely by it under this Verdiva Agreement, or jointly owns with the other party the new IP rights generated jointly by both parties under this Verdiva Agreement.

Term and Termination. This Verdiva Agreement remains effective until the royalty term expires on a Licensed Product-by-Licensed Product and country-by-country basis. Upon natural expiration of a royalty term, the License for that Licensed Product in that country becomes fully paid-up, royalty-free, exclusive, perpetual and irrevocable. Moreover, on a program-by-program basis, either party may terminate for material breach (such as patent challenge and cessation of product development, or other matters reasonably deemed by one party and disputable by the other party) after providing notice and allowing a specified cure period. If the breaching party fails to cure within the designated timeframe, the non-breaching party may terminate upon written notice. Verdiva may terminate the Verdiva Agreement for convenience after a year of entering into the Verdiva Agreement and with written notice at least a specified number of days prior to the effective termination date. We are entitled to terminate the license with respect to a given Licensed Product, subject to certain exceptions, if (i) Verdiva is acquired in a change of control transaction, (ii) the acquirer is developing or commercializing a competing product, and (iii) as a result of the foregoing, before the first commercial sale of a Licensed Product in a specified major market, Verdiva ceases all development and commercialization activities of such Licensed Product for a specified period before its first commercial sale.

Arrangements with Sino Biopharm for XW001

On June 30, 2024, we entered into a license and collaboration agreement (the "**Sino Biopharm Agreement**") with a subsidiary of Sino Biopharm, a leading Chinese pharmaceutical company listed in Hong Kong, dedicated to developing innovative therapies through strong manufacturing capabilities and broad patient reach across China. The Sino Biopharm Agreement aims to advance future R&D and commercialization of XW001 in 19 countries. Specifically, in Asia, our targeted regions include PRC, Hong Kong Special Administrative Region, Macau Special Administrative Region, Taiwan Region, Singapore, Thailand, Malaysia, Saudi Arabia and etc. (the "**Territory**").

Exclusive Arrangement. We grant SinoBiopharm an exclusive, sublicensable (under a fixed-fee payable to us) license (the "**License**") in relation to the R&D (including conducting clinical trials), registration, manufacturing and commercialization ("**Activities**") of XW001 in the Territory. Moreover, we shall not make INDs for any competing product (i.e., IFNλ and its derivatives) in the Territory and is obligated to notify Sino Biopharm if we carry out any R&D and commercialization of a competing product outside the Territory.

Collaboration Management. The parties shall establish a joint steering committee (the "**JSC**") consisting of representatives appointed by each party to oversee the technology transfer, pre-clinical and clinical development in the Territory. The functions of the JSC include the communication and discussion of, among others, material issues regarding preclinical and clinical R&D, IP issues related to XW001, responses to enquiries from the relevant regulatory authorities, and issues regarding government grants.

R&D and Regulatory Approvals. Sino Biopharm is responsible for conducting the clinical trials and obtaining any approval from the relevant regulatory authorities necessary for launching XW001 in the Territory. These include, among others, submission of NDA and communication with the regulatory authorities. Sino Biopharm shall bear the costs and expenses incurred therefrom and be the approval holder.

Supply and Manufacturing. We are responsible for supply of in-stock samples and raw materials required for the Phase IIa clinical trial conducted by Sino Biopharm. We shall assist Sino Biopharm in procuring additional materials from third-party suppliers at the same price and quality.

Commercialization and Promotion. Sino Biopharm has the exclusive rights for the commercialization and promotion of XW001 in the Territory at its own costs and expenses, and shall use commercially reasonable efforts to increase the product's annual net sales. Moreover, Sino Biopharm is entitled to, at its discretion, determine the packaging, labeling, trade name and trademark for XW001 in the Territory, and may file design patent applications or trademark registrations in the Territory under its own name.

Upfront, Milestone Payments and Royalty. In consideration of the License, we are entitled to several payments from Sino Biopharm, including: (i) an upfront payment in a fixed amount; (ii) development milestone payments upon achievement of specified development events, such as NDA submissions and approvals for licensed product indications in the Territory; (iii) sales milestone payments upon achievement of specified annual net sales thresholds in the Territory, with total payments subject to an aggregate cap; and (iv) royalty payments, calculated as a percentage of annual net sales in the Territory, with rates that escalate as annual sales cross specified thresholds. Royalty rates are reduced to a lower percentage if XW001 is included in the NRDL causing a material decrease in its sales price and annual net profits.

IP Rights. Each party retains ownership of the IP rights owned by it prior to the effective date of this Agreement. During the term of this Agreement, each party owns the IP rights newly generated solely by it, or jointly owns with the other party for new IP rights generated jointly by both parties.

Term and Termination. This Sino Biopharm Agreement remains effective until the royalty term expires for XW001. Upon natural expiration of the royalty term, the License for that product becomes royalty-free, perpetual and irrevocable. Moreover, either party may terminate for material breach (such as non-compliance to applicable laws, breach of payment obligations and patent change, to the extent applicable to the respective party) after providing notice and allowing a specified cure period. If the breaching party fails to cure within the designated timeframe, the non-breaching party may terminate upon written notice. With prior written notice, Sino Biopharm may unilaterally terminate this Sino Biopharm Agreement if its R&D, registration, manufacturing, or commercialization of XW001 becomes infeasible due to: (a) issues related to the quality, safety, or efficacy of XW001, or (b) changes in market conditions or regulatory policies or other objective reasons not attributable to either party. With prior written notice, we may also unilaterally terminate this Sino Biopharm Agreement if Sino Biopharm fails to perform the Activities for reasons within its control and fails to cure such failure in accordance with measures reasonably requested by us.

OUR RESEARCH AND DEVELOPMENT CAPABILITIES

We believe that our dedication in innovation and robust research and development capabilities are the key drivers of our business growth and competitiveness. Our R&D efforts are primarily driven by clinical demand in weight management with a mission of treating the patients as a whole. By leveraging our proprietary SciwindCore™ platform, we intend to overcome key clinical challenges across three critical dimensions that are essential for optimal patient outcomes: efficacy, safety, and convenience. By targeting multiple disease-critical pathways synergistically and improving overall clinical benefits in a well-balanced manner, our continued research and development investments have enabled us to maintain our competitiveness in the industry.

In 2024 and 2025, our research and development expenses amounted to RMB284.0 million and RMB158.8 million, respectively. Our research and development expenses attributable to our Core Product amounted to RMB139.5 million and RMB90.7 million in the same years, respectively. See "Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss — Research and Development Expenses."

We intend to expand and improve our product portfolio by strengthening our research and development of new products, extending our product lines and improving our existing products. Although we believe that we are able to comply with the regulatory review process efficiently and introduce new products in a timely manner, the time required from developing to commercializing a new product may be affected by factors beyond our control, such as clinical trial results and government approvals.

Our Research and Development Team

We have established a team of dedicated professionals to enhance our research and development advancements, led by Dr. Xinle Wu (our Chief Scientific Officer). As of December 31, 2025, we had a research and development team with 102 personnel, representing approximately 62.6% of our total employees. The team is consist of experts with rich industry experience and global exposure including Dr. Zou Haixia (our Executive Director), Ms. Yang Ming (our Vice President) and Dr. Hou (our Vice President), with approximately 45.1% of whom possessed a master's degree or above and 96.1% of whom possessed a bachelor's degree or above, amongst which a vast majority is majored in pharmaceutical science or biology. For details, see "Directors and Senior Management — Directors"

The following table sets forth a breakdown of the number of R&D team by function as of December 31, 2025:

Function of R&D team	Key Responsibilities	Number of employees
Early Discovery	Identify and validate potential therapeutic targets and discover and improve lead compounds to preclinical candidates	14
Clinical Development . .	Design and conduct clinical trials to evaluate the efficacy and safety of drugs in the human body	23
R&D Management and Regulatory Affairs . .	Management R&D projects, intellectual property and regulatory affairs	16
CMC	Management cell line development, upstream and downstream process development, formulation development, GMP-compliant manufacturing and quality control	49

Our in-house research and development team was led by Dr. Wu, our Chief Scientific Officer, who earned his Ph.D. in Biochemistry from Case Western Reserve University and completed his postdoctoral training at the University of Texas Southwestern Medical Centers, providing him with a comprehensive scientific foundation and research experience. Dr. Wu brings over 20 years of experience in pharmaceutical multinational companies, including Amgen and Eli Lilly, with a proven track record in the research and development of innovative medicines. Dr. Wu has deep expertise in leading drug development portfolios for metabolic disorders, including diabetes, obesity, MASH, and related conditions, making him ideally suited to guide our research strategy in these therapeutic areas. He has also authored dozens of high-impact research publications in leading journals such as *Nature Medicine*, *PNAS*, and *Science Translational Medicine*, and is also co-inventor on multiple patents, demonstrating his significant contributions to scientific advancement. His contributions, particularly in the field of metabolic diseases, are highly regarded in both the industry and academic communities.

We have entered into legally binding confidentiality and non-compete agreements with our key employees and employees involved in our research and development activities, pursuant to which any intellectual property conceived and developed during their employment belongs to us and they waive all relevant rights or claims to such intellectual property. Specifically, as of the Latest Practicable Date, all of our key R&D personnels who involved in the R&D of our Core Product and the material R&D work remain employed by us, including Dr. Pan, (our chairman of the Board, executive Director and general manager), Mr. Li Yao, (our executive Director), Ms. Yang Liu (our executive Director) who contributed to biological fermentation process of our Core Product injectable ecnoglutide (XW003) and Dr. Pan, (our chairman of the Board, executive Director and general manager) and Ms. Yang Ming (our Vice President) who contributed to clinical research of our Core Product injectable ecnoglutide (XW003).

Multi-Platform Innovation Engine

Our proprietary SciwindCore™ platform features industry-leading molecule design and formulation capabilities, enabling the R&D of innovative drugs with blockbuster potential. We synergize the advantages of biased agonist discovery, oral peptide delivery, and half-life extension technologies to build next-generation metabolic drugs that meet diverse target and indication needs, effectively reducing barriers to scale in the consumer-driven market.

BiasVantage™ — Biased Agonist Discovery Platform, Prolonging Signaling Duration and Enhancing Efficacy

Our biased peptide agonist platform is built to fully leverage the therapeutic potential of signaling-selective ligands. These biased agonists offer key advantages, such as extended receptor activity resulting from reduced desensitization, leading to excellent therapeutic outcomes compared to unbiased approaches. To facilitate the efficient discovery of such molecules, we developed a comprehensive signaling assay system capable of quantifying pathway-specific activity, including cAMP production and β-arrestin-mediated receptor internalization. By integrating this system with structure-based rational design, we can rapidly identify and optimize peptide candidates with desired signaling profiles. Promising leads are then validated in animal models, where they consistently demonstrate superior efficacy compared to unbiased agonists. This platform enables the development of a new generation of precision peptide therapeutics with the potential to translate into enhanced clinical outcomes.

Advantages of Our Biased Agonist Discovery Platform

The platform integrates structure-based rational design to enable rapid identification and optimization of biased ligands, significantly accelerating the discovery process compared to traditional screening approaches. Establishment of a comprehensive suite of robust and quantitative in vitro signaling assays enables efficient screening and selection of biased peptide leads with optimal therapeutic profiles. The integration of in vitro signaling assays with in vivo efficacy evaluation facilitates rapid optimization and validation processes, ensuring that only the most promising candidates advance to clinical development.

Through rational design, we identified the key modification on injectable ecnoglutide (XW003) to confer biased signaling properties. Compared with semaglutide, our platform's in vitro signaling assays confirmed that injectable ecnoglutide (XW003) is biased towards cAMP production over β-arrestin recruitment following receptor engagement, validating the desired signaling selectivity of our engineered molecule.

As a biased GLP-1 receptor agonist, injectable ecnoglutide (XW003) demonstrated significantly higher potency in both glucose and body weight control compared to unbiased molecules such as semaglutide across various animal models, validating the advantages of our biased agonist discovery platform in developing more therapeutically advanced molecules with superior clinical potential.

OralVantage™ — Oral Peptide Delivery Platform Overcoming Oral Bioavailability Barriers for GLP-1 and Related Molecules, Enabling Oral Peptides with Injectable-like Efficacy

Our oral delivery platform is designed to overcome the major challenges in developing oral peptide therapeutics, including enzymatic degradation and poor gastrointestinal absorption. Leveraging our expertise in peptide engineering, we enhance molecular stability and resistance to proteolysis while simultaneously deploying advanced formulation technologies that significantly improve absorption across the gut barrier. By combining rational peptide design with drug delivery strategies, the platform enables the development of orally bioavailable peptides with clinically meaningful exposure, paving the way for more convenient and effective peptide therapies that improve patient compliance and treatment outcomes.

Advantages of Our Oral Peptide Delivery Platform

By simultaneously addressing both peptide stability and absorption challenges, this platform provides the most comprehensive solution for oral peptide development available in the industry. The versatility of our platform enables its application across a broad spectrum of peptide structures and disease indications, maximizing the potential for pipeline expansion and therapeutic diversification. Integration of proprietary peptide design and delivery technologies creates opportunities for robust intellectual property protection that strengthens our competitive position in the oral peptide therapeutics market.

XW004 was engineered with improved stability in simulated gastric fluid, indicating greater resistance to enzymatic degradation and enhanced potential for oral absorption compared to conventional peptide formulations. Through multi-layered screening processes, our platform enabled us to identify our proprietary absorption enhancer T2026. Preclinical data demonstrated superior oral absorption of XW004 when formulated with T2026, validating the effectiveness of our absorption enhancement technology.

By combining both enhanced peptide stability and proprietary absorption enhancement approaches, we developed our oral GLP-1 product with the potential to achieve high oral delivery efficiency. Clinical data suggest at equivalent doses, XW004 achieves steady-state plasma exposure that is 3-5 times higher than competitive compounds, demonstrating the superior performance of our integrated oral delivery platform.

HaleVantage™ — Half-life Extension Platform, QW, QM or Potentially Longer Dosing Intervals

Our half-life extension platform is designed to improve the pharmacokinetic properties of peptide therapeutics, enabling longer systemic exposure and reducing dosing frequency. This approach enhances patient convenience and compliance, particularly for chronic treatments where reduced dosing frequency can significantly improve quality of life and therapeutic adherence.

- **LipoVantage™ — Fatty Acid Modification for Weekly Dosing.** The platform utilizes fatty acid modification strategies to extend peptide half-life and achieve once-weekly dosing intervals. Through systematic optimization — including selection of conjugation sites, refinement of peptide sequences, and structural

tuning of fatty acids — we tailor each molecule for optimal pharmacokinetic performance targeting weekly administration. This approach provides a flexible and effective solution for developing next-generation, long-acting peptide therapeutics with QW dosing convenience.

- **APCVantage™ — Antibody-Peptide Conjugation for Monthly or Extended Intervals.** The platform also employs antibody-peptide conjugation strategies to achieve monthly or even longer dosing intervals through enhanced systemic exposure and extended circulating half-life. We have established a robust PK evaluation system across multiple animal models to support the identification and advancement of these long-acting candidates. This conjugation approach enables transformative dosing convenience that could extend to monthly or potentially longer intervals, significantly improving patient compliance for chronic disease management.

Advantages of Our Half-life Extension Platform

The platform employs proven methodologies built upon both internal and industry-wide experience, ensuring high success rates in delivering high-quality molecules with significantly extended half-lives. The platform utilizes various modification strategies for half-life extension, offering customized approaches that can be tailored to meet specific therapeutic demands and target product profiles. Our integrated pharmacokinetic (PK) evaluation system leverages a diverse set of in vitro and in vivo models across multiple species, enabling early identification of optimal conjugation sites, peptide modifications, and fatty acid structures during the development process.

Research and Development Process

To facilitate the progression of our product pipelines, we have instituted a comprehensive and systematic research and development framework governing the entire lifecycle of our product candidates. This structured approach is engineered to ensure efficient capital deployment, shorten development cycles, and maximize the likelihood of successful clinical and regulatory outcomes for our innovative metabolic disease product candidates. Our research and development framework encompasses all stages set forth below:

- ***Target identification, validation and drug discovery:*** Prior to launching a product candidate research and development project, our experienced scientists provide valuable insights to pinpoint promising targets with strong scientific and commercial potential. This selection process involves a thorough evaluation of key factors, including market opportunity, intellectual property considerations, competitive positioning, and risk assessment, ensuring strategic alignment with our development objectives.

  Our target validation process includes evaluating the scientific rationale, risk and safety considerations, and future clinical and regulatory pathways.

  Once a target is identified and validated, we commence systematic drug discovery, which involves (i) integrating real-world data, network pharmacology, known and established molecules with desired therapeutic benefits to design novel, multifunctional product candidates; (ii) performing in vitro and in vivo assays of product candidates including but not limited to pharmacological activities, pharmacokinetics and toxicities; and (iii) developing formulations, and analytical assays for quality control and assurance.

- ***Preclinical research:*** During the preclinical stage, we conduct a comprehensive evaluation of a product candidate's PK, pharmacology, and safety assessments

through *in-vivo* and *in-vitro* studies to establish critical development milestones. Toxicology research involves designing and interpreting preclinical safety studies, ensuring regulatory alignment for regulatory approval submissions. Biomarker development is integral to target patient selection, efficacy prediction, and safety monitoring, while clinical pharmacology integrates NCA, population pharmacokinetic, PK/PD, and exposure-response modeling to optimize clinical trial design and dose selection.

- ***Clinical development:*** Throughout clinical trials, we work closely with trial sites, principal investigators, and regulatory bodies to uphold adherence to study protocols and GCP standards. Our selections of investigators, trial institutions, and hospitals are based on their specialized knowledge, access to suitable patient populations, and operational capacity. Our regulatory affairs team oversees registration strategies, regulatory approval submissions, and ongoing regulatory dialogues with agencies. We proactively update clinical documentation, including the investigator's brochure, development safety update report, and safety reports, to maintain continuous compliance and facilitate successful regulatory reviews.

As of December 31, 2025, our core drug discovery members have approximately 10 years of experience in the R&D of pharmaceuticals. Our drug discovery team members have expertise in biology, medicinal chemistry, drug metabolism and pharmacokinetics, chemistry and early clinical areas, which support our product development, and all of them have obtained post-graduate degrees.

Collaboration with Clinical Trial Institutions

The regulatory bodies maintain a catalog of hospitals that they have approved as clinical trial centers, from which we select a number of leading hospitals to conduct our clinical trials. The factors we consider when selecting such institutions include their credentials, expertise, technology, equipment and patient demographics. Before selecting institutions, we meet with physicians at each potential candidate hospital to discuss our clinical trials' purposes and requirements. For each clinical trial, we and the institution generally enter into a new agreement setting out the clinical trial's purpose, timeline, structure, procedures, methods and risks. Then, we prepare a clinical trial protocol for submission to the clinical trial institution's ethics committee. The clinical trials must be conducted in accordance with the protocol approved by the ethics committee. The ethics committee must re-evaluate and approve any amendments to the protocol.

We cooperate with prestigious hospitals in China, United States, Australia and New Zealand to conduct our clinical trials. The hospitals serving as investigational sites are the principal investigators and their research teams, responsible for pivotal functions, including trial execution, participant protection, and data integrity. For injectable ecnoglutide (XW003), we have cooperated with over 130 hospitals, with Peking University People's Hospital, Zhongshan Hospital Fudan University, as well as Nanjing Drum Tower Hospital, the Affiliated Hospital of Nanjing University Medical School being the principal investigator institutions for Phase III trials. Such a nation-wide, multi-regional site approach was deliberately pursued. Through the multi-regional network, we create representation across all regions, enhance our brand visibility and establish a distribution foundation for post-approval market demand. The extensive site pool accelerates enrolment and mitigates the impact of pandemic-related disruptions, regional disease prevalence differences and competing studies. Dispersing enrolment across sites further reduces the risk of protocol deviations and data-quality issues while simultaneously allowing us to capture best-practice insights from diverse site-management models. In addition, according to Frost & Sullivan, geographic diversification limits bias stemming from regional lifestyle, cultural, or investigator-skill variations, improving the external validity of efficacy and safety outcomes and strengthening the evidentiary basis for regulatory approval and subsequent commercial launch.

Pursuant to the legally binding agreements with these participating institutions, the institutions are required to conduct the clinical trials strictly in accordance with the protocol, collect data, and issue case reports at the end of each clinical trial. The lead institution will prepare formal reports based on the case reports submitted by all participating institutions. In return for the institutions' services, we make scheduled payments as agreed in the agreements. Under the agreements, we generally own all the intellectual property and trial results while the participating institutions may use the clinical trial results for academic activities with our prior approval.

Relationships with CROs and SMOs

We collaborate with CROs to conduct and support our preclinical and clinical studies in line with industry practice. We or our CROs also engage SMOs to provide management services in different phases of our clinical trials under our close supervision. We select our CROs and SMOs through a comprehensive, multi-factor evaluation. Firstly, we will screen the potential CROs and SMOs' qualifications, licences and regulatory compliance, industry reputation, financial positions and relevant project experience. Secondly, our procurement work group will conduct a formal tender process and have a more detailed selection based on shortlisted CROs and SMOs' detailed implementation plans, delivery standards and commercial terms. Lastly throughout our collaboration with our CROs and SMOs, we will carry out daily monitoring or on-site supervision, periodic comprehensive quality-control audits, regular inspections and, where required, third-party audits. In addition, any material change to scope, schedule or cost must be reported to us through telephone briefings, weekly and monthly meetings and obtain approval under our internal change-control procedures. To the best of our knowledge, none of them have any past or present relationships with us, our Directors, shareholders, senior management or any of their respective associates.

Our clinical CROs provide a comprehensive suite of services to assist us in implementing and managing clinical trials, including trial preparation, clinical safety management, data management, and report preparation. We choose to engage CROs based on the complexity and workload of a specific trial. We closely monitor the work of our CROs and provide specific directions to ensure the quality and efficiency of the trial execution. This approach allows us to leverage the experience of our in-house team to better focus on critical clinical trial elements, such as trial design, data analysis and decision-making. All studies of our product candidates on humans are conducted in compliance with the applicable laws, regulations and in line with the industry standards. We believe our ability to conduct and work closely with CROs to conduct preclinical studies and clinical trials helps us to shorten the time required for product development as well as generate the requisite data in a reliable and efficient way.

We mainly determine the service fees paid to the CROs in accordance with market prices of similar services, the number of enrolled patients, the duration of the clinical trials, and the quality and contents of the services provided.

Regulatory Affairs

Our regulatory affairs team is responsible for the regulatory approval process of our drug candidates, addressing inquiries from relevant authorities and monitoring our research and development projects to ensure their compliance with relevant regulations. We possess extensive knowledge and experience with regard to regulatory filings in China, U.S, Europe and other regions. With our presence and expertise in China, U.S., Europe and others, we can design our clinical trials to maximize operational efficiency. In light of the above, we believe that we have sufficient resources and experience to conduct and oversee our research and development activities and clinical trial programs efficiently. We have established a track record of advancing three in-house developed product candidates to various clinical

programs, including advancing our Core Product to the commercialization stage. To maintain competitive with other market players in similar fields, we will continue to monitor the needs and expand our research and development team as needed, and we will collaborate with research and development and commercialization partners when such collaboration suits our best interest. We expect our R&D resources and experience to further propel our product development in the future.

CHEMISTRY, MANUFACTURING & CONTROLS ("CMC")

Our CMC team provides strong support throughout the drug development process, including cell line development, upstream and downstream process development, formulation development, and analytical development. Our CMC team is led by Dr. Hou, the vice president of CMC, who had approximately ten years of experience in CMC management. He holds a Ph.D. in biochemistry and molecular biology and was honored as "Beijing Science and Technology Star" in 2010 and "Beijing Outstanding Talent Program" in 2008. Dr. Hou possesses profound expertise in upstream design, process development, quality studies, scale-up, technology transfer and process characterization for recombinant protein drugs, peptide therapeutics and antibody-based products. Dr. Hou has led our CMC team in completing multiple IND applications for biologics. He has also led our team in the scale-up and process transfer.

As of December 31, 2025, our CMC team consisted of 49 professionals with extensive experience in process development, production and quality management from well-known biopharmaceutical and pharmaceutical companies. Among our CMC team members, approximately 44.9% possessed a master's degree or above and approximately 95.9% possessed a bachelor's degree or above.

Collaboration with CDMOs

In terms of the involvement and contributions of each of the major CDMOs (including CMOs) to the development of our product candidates, we collaborate with our CDMOs to manufacture a portion of our product candidates to supply for preclinical studies and clinical trials. We did not experience any product quality issues in respect of the products manufactured by our CDMOs during the Track Record Period. We select our CDMOs by considering the potential CDMOs' qualifications, licences and regulatory compliance, industry reputation, key personnel, certified quality-management systems (i.e. ISO 90001, GMP), relevant project experience and/detailed implementation plans. Under our agreement with our CDMOs, the CDMOs are required to perform their services according to the prescribed time frame as set out in the agreements and help us track project progress through weekly and monthly reports and meeting minutes. Our CDMOs are responsible for manufacturing our required products in accordance with certain product specifications, in compliance with cGMP requirements (where applicable), our quality standards and other applicable laws and regulations. We retain all the intellectual property rights and grant our CDMOs the right to use our intellectual property rights for such manufacturing and packaging activities during the contract period. We are entitled to inspect and audit our CDMOs manufacturing process. We mainly determine the service fees paid to the CDMOs in accordance with market prices of similar services, the number of products manufactured, and the quality and contents of the services provided. We do not share the proprietary rights of our intellectual properties, know-hows and trade secrets with CDMOs. According to Frost & Sullivan, there are alternative CDMOs on comparable terms with similar quality available in the market.

We plan to continue to engage CDMOs to support our preclinical and clinical studies as well as manufacturing of drug product, taking into account the well-established and cost-efficient collaboration model with CDMOs in the pharmaceutical industry, our

collaboration history with CDMOs, as well as the sufficient capabilities possessed by available CDMOs to support our research and development activities. We believe it is more cost efficient to leverage the existing production facilities of the available CDMOs, which could potentially drive down the unit costs of our drug candidates.

Inventory Management

Our inventories primarily consist of raw materials. The shelf life for each kind of raw material is determined based on its characteristics, manufacturers' specifications, and relevant regulatory requirements. We regularly monitor our inventories through the centralized ERP system, which provides real-time oversight of inventory status to reduce the risk of overstocking. The system will flag and notify our Quality Management team once certain raw materials are approaching expiry (within one month to expiry). In addition to our centralized control of inventory, we physically count our inventories on a quarterly basis, to identify drug products that are damaged, expired or soon-to-be expired.

All of our products are subject to strict examination in terms of its quality. We classified the inventory into damaged, expired and soon-to-be-expired, based on the raw materials' quality and remaining shelf life. Once any raw material is damaged or expires, we safely dispose of the raw materials in accordance with applicable laws and regulations. Our Directors confirm that our inventory control system and policies have been effective during the Track Record Period and up to the Latest Practicable Date.

Our production process is highly structured, efficient, and leverages a collaborative model with top-tier contract manufacturers. We do not own or lease manufacturing facilities. Instead, we outsource the manufacture process and maintains strict control over design, core material procurement, and quality assurance.

COMMERCIALIZATION

We received the approvals from the NMPA for injectable ecnoglutide (XW003) for T2DM and overweight/obesity treatments in January 2026 and March 2026, respectively. The development and commercialization of drug candidates will be principally focused on Chinese Mainland market. For overseas markets, we will largely rely on collaborations with regional partners which will be carried out mainly by themselves. As of the Latest Practicable Date, we were not aware of any specific details of their commercialization plans and strategies.

We have obtained necessary qualifications and licenses for our planned future sales of relevant medical devices (such as injection pens) which will be used in conjunction with XW003. See "— Licenses and Permits." We have entered into agreements with qualified suppliers to ensure sufficient supply of such medical devices for our future commercialization of XW003. We will place order from such suppliers based on our actual commercialization needs.

Collaboration with Pfizer to Commercialize Injectable Ecnoglutide (XW003) in Chinese Mainland

We entered into a commercialization agreement (the "**Commercialization Agreement**") in December 2025 with Pfizer Investment Co., Ltd (together with its affiliates, "**Pfizer**"). Pursuant to the Commercialization Agreement, we grant Pfizer an exclusive, sublicensable right to engage in commercialization activities of injectable ecnoglutide (XW003) for indications of obesity and T2DM (the "**Products**"), as well as other additional indications to be separately agreed upon by Pfizer and us (each an "**Additional Indication**").

Pfizer is one of the world's premier biopharmaceutical companies with a strong marketing and sales capability and a complete industrial chain for the commercialization of pharmaceutical products. We believe this collaboration will equip us with broader commercialization access and stronger market potential in Chinese Mainland. We consider that the terms of the Commercialization Agreement are fair and reasonable, under arm's length negotiation and in the best interests of our Shareholders and us as a whole.

Exclusive Arrangement. We grant Pfizer an exclusive right to conduct commercialization related activities for the Products in Chinese Mainland. Such a grant includes, among others, (i) participation and involvement in market access activities; and (ii) engagement in medical affairs, patient education activities and patient-related programs. We retain the rights to develop, register, manufacture and supply the Products in Chinese Mainland.

Collaboration Management. We and Pfizer shall establish a joint steering committee (the "**JSC**") consisting of equal representatives appointed by each party. The JSC shall be responsible for coordinating and overseeing all activities under the Commercialization Agreement. The functions of the JSC include, among others, (i) reviewing and deliberating annual promotion plans; (ii) discussing and approving Additional Indications; (iii) discussing any adjustments to the Products' prices we sell to Pfizer; and (iv) discussing and approving minimum annual purchase quantities.

Marketing Approvals and Regulatory Matters. We are the marketing authorization holder for the Products, holding exclusive regulatory control over the Products. We shall be responsible for the registration and application formalities in respect of the Products, as well as obtaining and maintaining marketing authorization for the manufacture and sales of the Products in Chinese Mainland.

Manufacture and Supply. We shall be responsible for the manufacture and supply of the Products to Pfizer. Pfizer shall provide us with rolling forecasts, and place orders accordingly.

Sales, Promotion and Marketing. Pfizer may designate distributors to distribute the Products in Chinese Mainland. Pfizer shall prepare and submit an annual promotion plan each contract year for sales, promotion and marketing of the Products within Chinese Mainland to the JSC and be primarily responsible for implementing the plan. Pfizer can design and prepare promotion materials and medical non-promotional materials and use the materials in its commercialization activities. We shall provide Pfizer with the technical information and training sessions necessary for the promotion of the Products.

Upfront and Milestone Payments. In consideration of the grant, we are eligible to receive up to US$495.0 million from Pfizer, including (i) a one-time upfront payment; (ii) contingent payments due upon achievement of certain development and commercial milestones; and (iii) annual net sales milestone payment with rates that escalate as annual sales cross specified thresholds.

Intellectual Property Rights. We grant Pfizer, among others, the right to use the technical know-how, patents, trademarks and other related materials solely for the purpose of commercializing the Products in Chinese Mainland. Other than the granted intellectual property rights, we possess and retain all intellectual property rights related to the Products. Moreover, internal and external packaging of the Products will include Pfizer's logos or Chinese names.

Term and Termination. The Commercialization Agreement shall remain in force until November 30, 2035. Both parties may terminate the Commercialization Agreement by mutual agreement in writing at any time. Each party may terminate the Commercialization Agreement with prior notice in writing if the other party breaches the terms in a material respect and fails to rectify.

Marketing and Pricing

For detailed commercialization plans in Chinese Mainland, see "— Commercialization — Collaboration with Pfizer to Commercialize Injectable Ecnoglutide (XW003) in Chinese Mainland." As of the Latest Practicable Date, there was no pricing guidance or centralized procurement set by the PRC government on our product candidates including injectable ecnoglutide (XW003).

For overseas market, we plan to (i) closely collaborate with existing partnership to advance the R&D and commercialization in overseas countries and regions; and (ii) seek further collaborations by licensing out injectable ecnoglutide (XW003) to international partners who have extensive market reach and resources to enhancing the market exposure and the market penetration. The pricing in overseas markets may vary to suit specific conditions in each territory, and we will determine the prices based on a discussion with our local partners and taking into account, among other things, the pricing of multinational competitors in the same market.

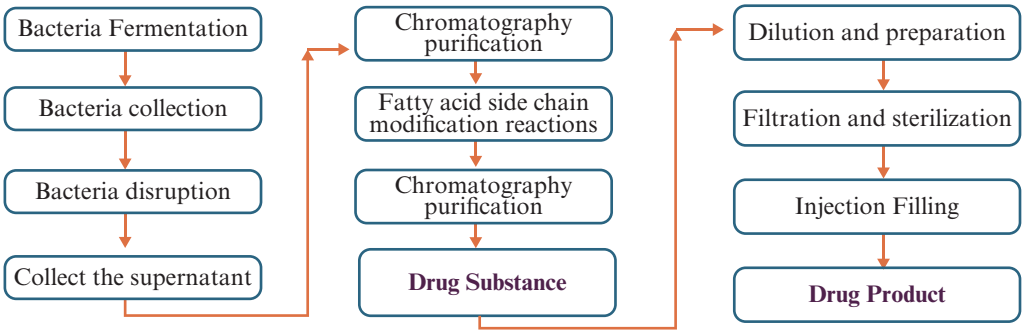
Measures to Prevent Price Competition

We manage price competition with our partners through strict territorial governance. Under our licensing arrangements, we typically grant exclusive commercialization rights to partners within defined territories. To prevent cross-regional price erosion, our licensing agreements include price protection clauses, and we coordinate closely through JSCs to monitor pricing and prevent unauthorized parallel trade or re-importation. Such measures ensure that our retained products and out-licensed products operate in distinct markets without direct price competition.

Within our own pipelines, we proactively avoid internal price competition by pursuing differentiated clinical and commercial strategies. We sequence product launches and leverage distinct product profiles — such as oral versus injectable formulations — to target different patient populations, lines of therapy, or stages of disease progression. This allows us to establish clear market segmentation, where newer or differentiated products command premium pricing while older or alternative formulations serve broader or more cost-sensitive segments. By aligning product positioning with reimbursement strategies, we create a complementary portfolio that captures the full treatment continuum and minimizes cannibalization.

Our Production Process

We design and oversee our production processes in line with rigorous industry standards and require our suppliers and partners to meet the same level of quality and compliance. The following diagram outlines the key stages of our material design and development workflow:



INTELLECTUAL PROPERTY

Intellectual property rights serve as a cornerstone of our business strategy and are instrumental in safeguarding our future commercial success. It is vital for us to secure and uphold our intellectual properties to safeguard our innovative technologies, inventions, and expertise.

As of the Latest Practicable Date, we have built a comprehensive intellectual property portfolio in China and overseas. In China, we maintained a patent portfolio of 29 registered patents and 15 pending patent applications in China, as well as 33 registered patents and 75 pending patent applications overseas. We also held five PCTs.

We believe there is no material legal impediment for us to obtain the approvals for these pending patent applications.

The following table sets forth material patents directly in relation to our Core Product injectable ecnoglutide (XW003) as of the Latest Practicable Date:

No.	Description	Patent Type	Place of Registration	Registered Owner	Filing Date	Issuance Date	Expiry Date[1]
1.	Acylated GLP-1 Derivative	Invention	PRC	Company	2019-04-19	2021-06-08	2039-04-19
2.	Acylated GLP-1 Derivative	Invention	PRC	Company	2019-04-19	2023-07-14	2039-04-19
3.	Acylated GLP-1 Derivative	Invention	PRC	Company	2019-04-19	2024-01-19	2039-04-19
4.	Acylated GLP-1 Derivative	Invention	United States	Company	2019-04-19	2023-03-28	2039-04-19
5	Acylated GLP-1 Derivative	Invention	United States	Company	2019-04-19	2025-12-30	2039-04-19
6.	Acylated GLP-1 Derivative	Invention	United States	Company	2019-04-19	N/A	N/A[2]

No.	Description	Patent Type	Place of Registration	Registered Owner	Filing Date	Issuance Date	Expiry Date[1]
7.	Acylated GLP-1 Derivative	Invention	Mexico[3]	Company	2019-04-19	2025-03-14	2039-04-19
8.	Acylated GLP-1 Derivative	Invention	Mexico[3]	Company	2019-04-19	N/A	N/A
9.	Acylated GLP-1 Derivative	Invention	Brazil[3]	Company	2019-04-19	N/A	N/A
10. . . .	Acylated GLP-1 Derivative	Invention	Brazil[3]	Company	2019-04-19	N/A	N/A
11. . . .	Acylated GLP-1 Derivative	Invention	Russia[3]	Company	2019-04-19	2022-06-01	2039-04-19
12. . . .	Acylated GLP-1 Derivative	Invention	Russia[3]	Company	2019-04-19	N/A	N/A
13. . . .	Acylated GLP-1 Derivative	Invention	Russia[3]	Company	2019-04-19	N/A	N/A
14. . . .	Acylated GLP-1 Derivative	Invention	South Korea	Company	2019-04-19	2022-11-10	2039-04-19
15. . . .	Acylated GLP-1 Derivative	Invention	South Korea	Company	2019-04-19	2024-04-02	2039-04-19
16. . . .	Acylated GLP-1 Derivative	Invention	Australia	Company	2019-04-19	2021-08-05	2039-04-19
17. . . .	Acylated GLP-1 Derivative	Invention	Australia	Company	2019-04-19	2022-03-31	2039-04-19
18. . . .	Acylated GLP-1 Derivative	Invention	Japan	Company	2019-04-19	2022-11-01	2039-04-19
19. . . .	Acylated GLP-1 Derivative	Invention	Japan	Company	2019-04-19	2024-06-13	2039-04-19
20. . . .	Acylated GLP-1 Derivative	Invention	Europe	Company	2019-04-19	N/A	N/A
21. . . .	Acylated GLP-1 Derivative	Invention	Canada	Company	2019-04-19	2023-08-22	2039-04-19
22. . . .	Acylated GLP-1 Derivative	Invention	Canada	Company	2019-04-19	N/A	N/A
23. . . .	GLP-1 Derivative and therapeutic use thereof	Invention	PRC	Company	2019-04-19	2022-12-09	2039-04-19

1 Patent expiration does not include any applicable patent term extensions
2 Patent application
3 As of the Latest Practicable Date, we had no R&D activities or development plans in Brazil, Mexico and Russia.

From 2017 to 2019, Kawin Technology transferred to us two patent rights and six patent application rights pursuant to two patent transfer agreements (the "**Transfer Agreements**"). The consideration under the Transfer Agreements was determined through arm's length negotiation between the parties.

Among the transferred intellectual properties, one patent application in China and one PCT relate to the basic molecular structure of ecnoglutide, which was part of the early discovery of injectable ecnoglutide (XW003). Upon such transfer, we exclusively own the rights to any technical improvements and downstream inventions derived from these two patent application rights. After the transfer, we conducted extensive research and development on this molecular structure and filed a follow-on PCT (WO2019201328) and a follow-on patent application in China. Among the material patents listed in the table above, the Acylated GLP-1 Derivative patents (No. 1 to No. 22) all stemmed from the PCT and are within the same patent family. In December 2022, we were granted a new patent right (No. 23 GLP-1 Derivative and therapeutic use thereof) for our further improvements derived from the PCT. We expect that as our clinical studies of different indications progress, there will be more patents relating to our new improvements and inventions.

In 2019, pursuant to a know-how transfer agreement (the "**Know-how Transfer Agreement**"), Kawin Technology also transferred to us certain know-how regarding long-acting GLP-1 pharmaceutical research and associated experimental results.

A summary of the salient terms of the Transfer Agreements and the Know how Transfer Agreement is set forth below:

Intellectual Property Ownership: We are entitled to the rights relating to the transferred patents and patent applications worldwide. Any improvements, enhancements or new intellectual property developed by us based on the transferred patent rights and patent application rights will be solely owned by us.

Patent Applications and Registrations: Kawin Technology is obliged to assist us in the applications for, and registrations of, the transferred patent rights and patent application rights.

Payment: Pursuant to the Transfer Agreements, Kawin Technology is entitled to a one-off lump-sum payment. Pursuant to the Know-how Transfer Agreement, during the patent term of the transferred know-how, Kawin Technology is entitled to: (i) 5% of the sales revenue generated from all product forms developed from the transferred know-how; or (ii) 5% of any technology-transfer income arising from the out-licensing arrangements involving the transferred know-how; or (iii) 5% of any equity interest that we receive as consideration under the out licensing arrangements involving the transferred know-how. These payment obligations are related to XW003.

Exclusivity: Kawin Technology shall not continue to develop the inventions covered by the transferred patent rights and patent application rights and shall not grant any third party any rights that would conflict with the exclusive rights granted to us thereunder.

Termination: Each of the Transfer Agreements and the Know-how Agreement can be terminated by either party in the event of a material breach by the other party. The defaulted party is obliged to compensate the non-defaulting party for any loss suffered as a result of such breach.

For further details of Kawin Technology, see "History, Development, and Corporate Structure."

As advised by our PRC intellectual property legal advisor, we have full control and rights on the R&D and commercialization of injectable ecnoglutide (XW003), given that we have acquired the patent rights, patent application rights and know how under the Transfer Agreements and the Know how Transfer Agreement, and have completed the official recordation of the relevant intellectual properties.

Other than the above payment arrangements, we have no other payment obligations pursuant to the Transfer Agreements and the Know-how Transfer Agreement.

In February 2026, we entered into a supplemental agreement with Kawin Technology regarding the payment arrangements in relation to XW004. Specifically, (i) if XW004 is produced using a recombinant expression process, our payment obligations to Kawin Technology shall mirror those applicable to XW003; and (ii) if XW004 is produced using a chemical synthesis process, the same payment obligations shall apply but at a rate of 2.5%.

We rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality arrangements with consultants, advisers and contractors. We have entered into confidentiality and non-compete agreements with our 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 have established an internal policy governing the confidentiality of all company information. Despite the measures we have taken to protect our intellectual property, our proprietary information may be obtained by unauthorized parties. For details, please refer to the paragraphs headed "Risk Factors — Risks Relating to Our Intellectual Property Rights — If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be adversely affected" in this Document. These agreements may not provide sufficient protection of our trade secrets and/or confidential information.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining the physical security of our premises as well as physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. For details, please refer to the paragraphs headed "Risk Factors — Risks Relating to Our Operations — Our internal information technology systems, or those used by our business partners, may fail or suffer security breaches" in this Document.

We also own a number of registered trademarks and pending trademark applications. As of the Latest Practicable Date, we had registered trademarks for our Company and our corporate logo in China and other jurisdictions and are seeking trademark protection for our Company and our corporate logo in the countries where available and appropriate.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any dispute with any other parties in respect of our intellectual property rights which have had a material effect on our business, and we were not involved in any material proceedings in respect of intellectual property right infringement claims against us or initiated by us. However, there are risks that we may be subject to claims that we have infringed the intellectual property rights of third parties, and we may not be able to adequately protect our own intellectual property rights. For details, please refer to the paragraphs headed "Risk Factors — Risks Relating to Our Intellectual Property Rights — We may from time to time be involved in lawsuits to protect or enforce our patents and other intellectual property" in this Document.

OUR CUSTOMERS

During the Track Record Period and up to the Latest Practicable Date, we had no commercialized product and therefore had no customers from the sales of product candidates. During the same period, we derived substantially all of our revenues from license-out arrangements which was in relation to certain of our drug candidates' intellectual property rights. For further details, see "Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss — Revenue."

The following table sets forth details of our customers in 2025:

Customers	Products or Services Provided	Sales Amount	Percentage of Our Total Revenue
		RMB'000	*%*
Year ended December 31, 2025			
Verdiva Bio Dev Limited[1]	License-out, research and development service[4] and sales of clinical samples	128,123	96.0
Customer A[2]	Research and development services[4] and sales of clinical samples	4,901	3.7
Customer B[3]	Research and development services[4]	464	0.3
Total		**133,488**	**100.0**

Notes:

(1) A biotechnology company primarily engaged in developing innovative therapies for obesity and other cardiometabolic diseases.

(2) A listed pharmaceutical company primarily engaged in the research, manufacturing and commercialization of prescription and consumer healthcare products.

(3) A pharmaceutical enterprise primarily engaged in drug R&D, manufacturing and distribution, complemented by marketing and clinical-trial services.

(4) Research and development services we provided to facilitate our collaborators' clinical studies, including but not limited to know-how transfer, quality related analysis, product release support consulting services for clinical and regulatory affairs.

OUR SUPPLIERS

We mainly procure services related to R&D and manufacture from third party suppliers. We maintain stable relationships with our suppliers to ensure the stability of material supply.

Major Suppliers

In 2024 and 2025, purchase amount from our top five suppliers in each year of the Track Record Period in aggregate was RMB97.4 million and RMB43.1 million, representing 43.0% and 29.1% of our total purchase amount, respectively. Purchase amount to our largest supplier in each year of the Track Record Period was RMB26.0 million and RMB17.2 million, representing 11.5% and 11.6% of our total purchase amount, respectively.

The following table sets forth details of our five largest suppliers in each year of the Track Record Period:

Suppliers	Products or Services Purchased	Business Relationship Since	Purchase Amount	Percentage of Our Total Purchase
			RMB'000	*%*
Year ended December 31, 2024				
Supplier A[(1)]	Contract development and manufacturing services	2020	26,043	11.5
Supplier B[(2)]	Clinical technology services	2022	23,037	10.2
Supplier C[(3)]	Preclinical safety evaluation studies, including toxicology and pharmacology studies	2018	20,391	9.0
Supplier D[(4)]	Fixed assets	2023	14,796	6.5
Supplier E[(5)]	Clinical research services	2020	13,130	5.8
Total			**97,397**	**43.0**

Notes:

(1) A China-based pharmaceutical manufacturer primarily engaged in the production of licensed drugs and medical device components.

(2) A private Ireland-based company primarily engaged in outsourced development and commercialization services to pharmaceutical and biotechnology.

(3) A China-based company listed in both Shanghai and Hong Kong, providing safety evaluation, pharmacology and toxicology research services.

(4) A private China-based company, primarily engaged in the design, manufacturing and supply of precision industrial equipment and automation solutions for the life sciences and advanced manufacturing sectors.

(5) A private China-based company primarily engaged in technical consulting, data services, drug innovation and medical research.

Suppliers	Products or Services Purchased	Business Relationship Since	Purchase Amount	Percentage of Our Total Purchase
			RMB'000	*%*
Year ended December 31, 2025				
Supplier A[(1)]	Contract development and manufacturing services	2020	17,187	11.6
Supplier F[(2)]	Raw materials	2021	8,069	5.4
Supplier G[(3)]	Operation management and other services	2020	7,239	4.9

Suppliers	Products or Services Purchased	Business Relationship Since	Purchase Amount	Percentage of Our Total Purchase
			RMB'000	*%*
Supplier C[4]	Clinical technology services, including toxicology and pharmacology testing services	2018	6,045	4.1
Supplier H[5]	Clinical technology services, including toxicology and pharmacology testing services	2017	4,586	3.1
Total			**43,126**	**29.1**

Notes:

(1) A private China-based pharmaceutical manufacturer primarily engaged in the production of licensed drugs and medical device components.

(2) A private Switzerland-based developer and manufacturer of self-injection systems for liquid medications, offering innovative platform portfolio for pens, autoinjectors, and on-body devices.

(3) A private China-based company with business operations spanning advanced equipment manufacturing, technology services and investment.

(4) A China-based company listed in both Shanghai and Hong Kong, providing safety evaluation, pharmacology and toxicology research services.

(5) A China-based company listed in both Shanghai and Hong Kong, pprimarily engaged in R&D and manufacturing of pharmaceuticals and medical devices.

To the best of our knowledge, in each year during the Track Record Period and up to the Latest Practicable Date, and up to the Latest Practicable Date, all of our top five suppliers were Independent Third Parties. As of the Latest Practicable Date, to the best of our knowledge, none of our Directors, their respective close associates or any shareholder who owned more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period.

Raw Materials

We select our raw material suppliers based on a number of factors, including the quality of raw materials, after-sales service and price. We use reputable suppliers from China, the United States and other countries. Based on the current market conditions, we intend to maintain stable working relationships with our major suppliers of raw materials. We have established long-term business relationships with our major suppliers. Although we maintain a list of backup suppliers if any supplier fails to timely deliver raw materials, we are still subject to risks associated with shortage of raw materials. For details, please refer to the paragraphs headed "Risk Factors — Risks Relating to the Manufacturing and Commercialization of Our Drug Candidates — Our operations are dependent on the supply of certain raw materials. If we cannot obtain an adequate supply of raw materials, our ability to conduct our business could be materially impaired and our operations, revenue and profitability could be adversely affected" in this Document.

Our production team monitors a rolling forecast of demand for specific products while our research and development team provides specifics of raw materials to be purchased. We maintain a pool of qualified suppliers for internal purposes, which is reviewed annually. We conduct inspection and acceptance of raw materials in accordance with quality standards and testing procedures and procure raw materials solely from qualified suppliers.

Salient Terms of Supply Agreements

A summary of the typical terms and conditions of our purchase order with key suppliers is set forth below:

- ***Service.*** The CROs, SMOs and CDMOs provide us with research services such as implementation and management of clinical research projects, manufacturing products and/or providing materials as specified in the agreements.

- ***Term.*** The CROs, SMOs and CDMOs are required to perform their services according to the prescribed time frame set out in the agreements.

- ***Credit terms.*** We usually arrange payment ranging from 45 days to 60 days of receipt of invoice from CROs, SMOs and CDMOs. Installment payments will be made in accordance with the milestone payment arrangements specified in the agreements.

- ***Intellectual property.*** The third party like CROs, SMOs and CDMOs do not own any intellectual property from or derived from the clinical research projects.

- ***Confidentiality.*** We and the CROs, SMOs and CDMOs agree to keep all information focus on building an in-house sales and marketing team filled with sales talents and skillful employees to strengthen our selling capabilities. We will also consider engaging third-party distributors to expand our market shares and capture the vast market opportunities in the filed of weight management in relation to the performance of the agreements and use it only for the performance of the agreement.

- ***Termination:*** The agreement can be terminated by mutual consent or clinical-site withdrawal for serious adverse events or changes in law or regulation. The agreement can also be unilaterally terminated by us for clinical or commercial reasons, such as CROs, SMOs and CDMOs' failure to deliver their services within prescribed timeframes.

PRIVACY AND DATA SECURITY

We are steadfast in our commitment to protecting privacy and data security. When conducting clinical trials for our products, we may have access to certain data of medical institutions and individual patients. Certain types of such data may fall into the scope of personal information under applicable laws and regulations. Aligning with best practices in the domain of global information security, we have established a comprehensive information security management system, including the establishment of an information protection committee, to foster robust internal controls. We have designed strict data protection policies to ensure that the collection, use, storage, transmission and dissemination of such data are in compliance with applicable laws and with prevalent industry practice.

For the purpose of conducting collaborative clinical research for pharmaceuticals on a global scale, we need to transfer data of research participants collected from China to our overseas recipient for the purposes of clinical trial research. Any transfer of clinical trial data in connection with our product development efforts and regulatory communications is subject to the applicable local data and privacy protection laws. Such data includes research participants' basic personal information, such as subject ID, gender, and age, as well as personal health information, including medical history, laboratory test results, imaging findings, diagnosis, and adverse event descriptions and outcomes.

We have implemented a series of control measures to ensure compliance, including implementing a Cross-border Data Transfer Compliance Policy. In accordance with the

Provisions on Promoting and Regulating Cross-border Data Flows and the Measures on the Standard Contract for Export of Personal Information (the "**SCC Measures**"), we have entered into a standard contract with the overseas recipient and completed the standard contract filing procedures to the Cyberspace Administration of Zhejiang Province on December 1, 2025.

During the Track Record Period and up to the Latest Practicable Date, we are in compliance in all material respects with all applicable laws and regulations with respect to data privacy and protection and we were not aware of any significant incidents of data or personal information leakage.

AWARDS AND ACHIEVEMENTS

No.	Year	Award or Recognition	Issuing Authority
1. . . .	2025	2025 Hangzhou Unicorn-to-be List (2025杭州准獨角獸企業)	Hangzhou Entrepreneurship & Venture Association (杭州市創業投資協會)
2. . . .	2025	High-Tech Enterprise (高新技術企業)	Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳), Zhejiang Municipal Finance Department (浙江省財政廳) and Zhejiang Taxation Bureau and State Taxation Administration (國家税務總局浙江省税務局)
3. . . .	2025	Specialized, Refined, Distinctive and Innovative "Little Giant" Enterprise (專精特新「小巨人」企業)	Ministry of Industry and Information Technology (工業和信息化部)
4. . . .	2023	2023 Zhejiang Province Specialized, Advanced and Innovative Small and Medium Enterprises (2023年浙江省專精特新中小企業)	Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳)

QUALITY ASSURANCE

We have established an internal control quality management system covering the product life cycle. As of December 31, 2025, we have a Quality Management team of 11 employees. Our team is responsible for organizing, supervising, and continuously improving the system, which includes the quality manual, policy and management procedures, operating procedures, and record documents. Standard operating procedures (SOPs) have been developed and implemented around key areas such as material control, testing and release, contract testing, quality event management, and management review. In addition, regular quality review meetings and management reviews are conducted to evaluate the effectiveness of the system and continuously improve product quality management.

We have complied with all of our quality qualification requirements in all material respects and have passed all of the inspections up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any findings from the competent regulatory authorities indicating that our products under clinical trials are defective and we had not experienced any material complaint or product candidate return from subjects enrolled in our clinical trials or hospitals where we conducted our clinical trials.

PRODUCT WARRANTY, RETURN, RECALL AND EXCHANGES

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material complaint or product return from subjects enrolled in our clinical trials or hospitals where we conducted our clinical trials.

COMPETITION

The global weight management drug market has grown steadily from USD99.7 billion in 2020 to USD112.8 billion in 2024. Looking ahead, the market is expected to accelerate, reaching USD116.5 billion in 2025 and USD277.4 billion by 2034, with projected CAGRs of 8.0% from 2024 to 2029 and 10.8% from 2029 to 2034. Obesity represents a multifaceted health challenge with far-reaching implications across multiple organ systems. Obesity related diseases encompass a broad spectrum of conditions including cardiovascular disease, T2DM, MASH, OSA, dyslipidemia, hypertension, osteoarthritis, chronic kidney disease, musculoskeletal disorders, certain cancers and numerous other comorbidities. The global obesity drug market has strong growth potential. In 2024, the global market for overweight/obesity drugs reached USD16.9 billion, projected to expand to USD41.7 billion by 2029 and USD57.7 billion by 2034, representing a robust CAGR of 19.8% from 2024 to 2029 and a steady CAGR of 6.7% from 2029 to 2034.

See "Industry Overview."

HEALTH, SAFETY, ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We regard health, safety, environmental, social, and governance (ESG) factors as an essential part of corporate operations and we recognize the importance of integrating innovation and scientific advancement with corporate responsibility, compliance and long-term value creation for all stakeholders.

Health and Safety

Health and safety are at the core of our operations, particularly given the nature of our research and development activities. We have established and strictly implemented internal policies governing laboratory safety, clinical trial management, and occupational health protection. These include procedures for the safe handling of biological materials, chemical reagents and medical devices, as well as regular training programs for employees to ensure full compliance with applicable laws and international standards. In addition, we maintain emergency response mechanisms and routine safety inspections to safeguard our employees, clinical participants and collaborators.

ESG Governance

We seek to improve energy efficiency in our laboratories and offices, implement digital management systems to reduce paper usage, and ensure the proper storage, handling and disposal of laboratory waste in strict compliance with relevant environmental regulations. Our R&D operations generate fermentation gases (H_2O and CO_2), organic/inorganic gaseous pollutants from volatile reagents, laboratory wastewater, and hazardous waste including biological materials and consumables. We monitor these through 0.22μm filter membranes for fermentation gases, activated carbon adsorption systems with three 32-meter exhaust stacks for gaseous pollutants, on-site wastewater treatment with high-pressure sterilization for biologically active materials, and qualified hazardous waste disposal, all meeting Beijing standards (DB11/501-2017 for air, DB11/307-2013 for water).

Our environmental risk mitigation operates across three timeframes: Short-term (1-2 years) — maintain existing pollution controls with quarterly monitoring; Medium-term (3-5 years) — invest in enhanced monitoring equipment and expanded treatment capacity as commercialization approaches; Long-term (5+ years) - develop comprehensive Scope 1, 2, and 3 carbon accounting and reduction targets. We measure performance through annual hazardous waste volumes (kg), quarterly air/water emission testing against regulatory limits, wastewater treatment efficacy rates (% pollutant removal), and energy consumption per laboratory area, with quarterly management reviews.

Furthermore, we encourage our suppliers and business partners to adopt environmentally responsible practices, particularly in the sourcing of laboratory materials and consumables. We believe that strong corporate governance is fundamental to our sustainable growth. Our Board of Directors has overall responsibility for matters and supervises the formulation and execution of related policies. We have implemented a robust internal control and risk management system covering clinical trial compliance, data integrity, intellectual property protection and anti-corruption. We have also adopted a Code of Conduct applicable to all employees and management, requiring the highest standards of professional ethics and compliance. We maintain transparent communication with our investors, regulators and business partners to ensure accountability and build long-term trust.

ESG Materiality Assessment and Risk Management

We attach great importance to sustainable development management. Firstly, we refer to the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Guide* and identify the Company's relevant ESG material topics based on the Company's actual operating conditions and industry development trends; secondly, we analyze the importance of ESG topics to corporate development and to stakeholders, prioritizing ESG topics, and identifying highly important issues; and thirdly, we review the ranking of importance and determine which ESG topics that have a significant impact on our sustainable development.

Based on the results of our materiality assessment, we believe that product quality and safety, R&D innovation, and employee rights and care are our key ESG topics. Environmental compliance and pollution control are also material given our laboratory operations, particularly hazardous waste management, wastewater treatment, air emissions, and noise control.

We actively take measures to manage and mitigate ESG-related risks, strengthening our risk resilience capabilities. We employ environmental monitoring (air emissions, wastewater quality, noise levels), annual compliance audits, and emergency response procedures. We align with GLP guidelines, and industry biotechnology sustainability practices. As we progress toward commercialization, we will enhance alignment with comprehensive frameworks including greenhouse gas accounting and industry certifications.

Environmental Protection

Resource Consumption and Carbon Emissions

The waste we produce is divided into hazardous waste, such as chemical waste and non-hazardous waste, such as waste from general office operations. As a clinical-stage biotechnology company, our operations are currently focused on R&D activities, resulting in electricity consumption, water consumption and minimal greenhouse gas emissions. Our primary energy consumption is electricity purchased from the grid, which is also a major source of our carbon emissions. We are therefore committed to improving our energy efficiency and reducing our carbon emissions. In 2024 and 2025, our total amount of electricity consumption were 650.7 MWh and 715.9 MWh, respectively. During the same period, our electricity intensity were 1,136.3 MWh/million RMB and 754.6 MWh/million RMB, respectively.

Waste Management

We have established a hazardous waste management framework as part of our overall ESG governance system, with the objective of ensuring regulatory compliance, mitigating environmental risks and supporting the sustainable development of our business. In the short term, we focus on building a sound governance and compliance foundation by clarifying Board-level ESG oversight responsibilities, establishing an ESG committee, conducting materiality assessments and implementing basic environmental management systems to ensure compliance with applicable environmental laws and regulations. In the medium term, we aim to further integrate ESG considerations, including hazardous waste management, into our core business operations and supply chain management, enhance resource efficiency, reduce environmental impact and work with qualified third-party service providers to ensure the proper classification, collection, storage and disposal of hazardous waste generated from our research and development activities. In the long term, we seek to embed ESG and environmental risk management, including hazardous waste control, into our corporate strategy and business model, promote green transformation across the value chain and continuously improve environmental performance through lifecycle management and sustainable practices.

Our waste water generated from our laboratory mainly consists of chemical oxygen demand, total suspended solids, biochemical oxygen demand and ammonia nitrogen. Our gas emissions generated form laboratory mainly consist of non-methane total hydrocarbons and nitrogen oxides. Our solid waste mainly consists of waste chemical reagents, laboratory waste liquids, contaminated laboratory materials and discarded reagent containers, which are primarily handled and disposed of by qualified third-party service providers. In 2024 and 2025, our water waste were 276.3 m^3 and 239.4 m^3, respectively. During the same period, our gas emission were 6.0 kg and 3.0 kg, respectively. During the same period, our hazardous solid waste were 4.5 ton and 9.0 ton, respectively.

Society

We are committed to contributing positively to society through healthcare innovation and patient-centered development. We attach great importance to our employees, providing them with competitive compensation, career development opportunities, and a safe and respectful working environment. We are committed to diversity and inclusion and prohibit any form of discrimination or harassment. Beyond our internal operations, we engage with the wider community through scientific education, public health awareness programs and other outreach initiatives, reflecting our belief that biotechnology companies bear a broader social responsibility.

Product Quality and Service

We consider product safety and quality paramount to our business, and we have established a comprehensive quality system to ensure product safety and quality. At the same time, we have established strict management regulations for the commissioned manufacturers to ensure that the quality of the products and services can meet relevant regulations and the requirements of both parties. To ensure that the production conditions and quality management of the production site meet or continue to meet regulatory and product requirements, we will conduct sufficient and reliable quality audits of the commissioned manufacturers, usually by on-site audits. Usually divided into initial audit and periodic audit. We will implement "full participation" in safety and quality control work, cultivate employee safety and quality awareness through the establishment of a knowledge management system, and provide multi-level safety and quality control trainings to all employees.

Human Capital

As of December 31, 2025, we employed 163 full-time staff. We are committed to fostering a diverse, inclusive, and fair workplace. We are committed to promoting gender diversity in our workforce, with female employees representing approximately 57.7% of our total employees. We maintain equal opportunity and anti-discrimination policies, with female representation on our Board, Supervisory Board and senior management, and measurable diversity objectives under regular review. To support employee development and engagement, we provide structured training, competitive remuneration and benefits, and a safe and supportive working environment.

Compliant Employment

We strictly comply with the applicable labor laws and regulations in the jurisdictions where we operate. We safeguard the lawful rights and interests of our employees by providing fair employment opportunities, entering into legally binding employment contracts, and making full contributions to social insurance and housing provident funds as required by law. We do not employ child labor or forced labor, and we are committed to ensuring a safe, healthy, and inclusive working environment in accordance with relevant statutory requirements.

Moreover, if an employer fails to make social insurance contributions in accordance with the law, the employee is entitled to terminate the labor contract in accordance with Article 38 of the Labor Contract Law and claim economic compensation, which shall be supported by the people's courts. See "Regulatory Overview — Overview of Laws and Regulations in the PRC — Regulations in Relation to Employment and Social Securities" for more details. As confirmed by our PRC Legal Adviser, (i) our policies and practices have always been, and remain, fully compliant with the legal principles reaffirmed by the New Judicial Interpretation; (ii) we have not entered into any arrangements nor accepted any undertakings from employees to waive social insurance or housing provident fund contributions; (iii) we have consistently, duly, and fully discharged our statutory obligations to make all mandatory social insurance and housing provident fund contributions for all of our employees in China; and (vi) the New Judicial Interpretation does not impose any new compliance requirements on us and will not adversely affect us in any material respect.

Staff Training and Development

We are committed to fostering a working environment that emphasizes continuous learning, professional development and equal opportunities. We recruit employees based on their merits, including work experience and educational background, and thereafter invest in comprehensive training programs to enhance their skills and knowledge. Our employees are encouraged to participate in ongoing education and professional development activities, which are designed to keep them abreast of the latest industry practices and regulatory developments. We also provide regular performance evaluations and feedback to support career advancement, ensure fair promotion opportunities, and align employee growth with our corporate objectives.

Business Ethics

We are committed to conducting our business with integrity and in compliance with applicable laws and regulations. We have adopted internal policies and controls to promote ethical conduct, prevent corruption, bribery and other misconduct, and ensure fair dealing with all stakeholders. We provide regular training to our employees on business ethics and compliance, and we require strict adherence to our code of conduct to safeguard our reputation and support the sustainable development of our business.

EMPLOYEES

As of December 31, 2025, we had 163 full-time employees, substantially all of which were based in China. The following table sets forth a breakdown of our full-time employees categorized by work function as of December 31, 2025.

	As of December 31, 2025	
	Number	Percentage
Function		
Research and development	102	62.6%
Manufacturing and supply chain	24	14.7%
Sales and marketing	6	3.7%
Administrative and management	31	19.2%
Total	163	100.0%

We offer competitive salaries and benefits package. We benchmark salaries to the market and offer employees statutory benefits with additional commercial health insurance and wellness support. To further keep our compensation competitive, we offer special incentives, such as equity or option plans for core talents and management.

In compliance with the relevant PRC labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In addition, we are required under PRC law to make contributions to statutory employee benefit plans (including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds) at a certain percentage of our employees' salaries, including bonus and allowances, up to a maximum amount specified by the local government. During the Track Record Period, we had paid social insurance and housing provident fund in full for our employees.

We are also subject to safety laws and regulations of the PRC. For a description of these laws and regulations, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Regulations in Relation to Production Safety." We have implemented various internal occupational health and safety procedures to maintain a safe work environment. As of the Latest Practicable Date, we had established a labor union.

We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with occupational health and safety laws or regulations, and had not experienced any strikes, labor disputes or industrial actions which have had a material effect on our business.

PROPERTIES

Our corporate headquarters is located in Hangzhou. As of the Latest Practicable Date, we did not own any properties, and we leased six properties in the PRC, four of which are material to our business operation and have an aggregate gross floor area of approximately 5,600 sq.m.

No.	Address	Usage	Leased Area (*Approximate sq.m.*)	Leased Term
1. . . .	Room 901-903/905-908, Floor 2, Building 2, 400 Fucheng Road, Qiantang District, Hangzhou	Office	806.6	April 3, 2024 to April 22, 2027
2. . . .	Unit 202, Building 4B, 8 Liangshuihe 2 St, Beijing Economic-Technological Development Area, Beijing	Office, biopharmaceutical R&D and technology promotion	810.11	October 15, 2025 to October 14, 2028
3. . . .	Unit 102, Building 4 East, 8 Liangshuihe 2 St, Beijing Economic-Technological Development Area, Beijing	Office, biopharmaceutical R&D and technology promotion	788.14	October 15, 2025 to October 14, 2028
4. . . .	Unit 201, 202 ,Building 3 and Unit 201 Building 4, 8 Liangshuihe 2 St, Beijing Economic-Technological Development Area, Beijing	Office, biopharmaceutical R&D and technology promotion	3,230.67	October 15, 2025 to October 14, 2028

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, two of our leased properties in Chinese Mainland, which are primarily used for office premises, had not been registered with the relevant PRC government authorities, primarily due to the lack of cooperation from the lessors. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of such leases or impede our use of the relevant properties but could result in the imposition of fines up to RMB10,000 for each leased property that is unregistered if we fail to rectify the non-compliance within the time frame prescribed by the relevant authorities. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements. Further, we believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. We do not anticipate undue difficulty in renewing our leases upon their expiration.

As of December 31, 2025, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

INSURANCE

We maintain necessary insurance policies to cover our day-to-day business operations as of the Latest Practicable Date. We also provide social insurance including pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, medical insurance and commercial medical insurance as a supplement for our employees based in China pursuant to PRC laws and regulations.

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. During the Track Record Period, we had not made, or been the subject of, any material insurance claims. However, our insurance policies are subject to standard deductibles, exclusions and limitations. See "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" for more details.

LICENSES AND PERMITS

As advised by our PRC Legal Advisers, throughout the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits, approvals and certificates that are material to our operations and such licenses, permits and certifications all remain in full effect. As of the Latest Practicable Date, we have obtained three drug registration certificates for injectable ecnoglutide (XW003) from the NMPA, and we will apply for additional registration certificates once more of our product candidates are ready to be marketed. For more details regarding the PRC and foreign laws and regulations to which we are subject, please refer to the section headed "Regulatory Overview" in this Document.

We renew all such licenses, permits, approvals and certificates from time to time to comply with the relevant PRC laws and regulations. The table below sets forth the relevant details of the material licenses required for our operations:

No.	Holder	Name of License, Approval and Permit	Grant Date	Expiration Date
1	Hangzhou Sciwind Biosciences Co., Ltd.*	Drug Registration Certificate	March 2026	March 2031
2	Hangzhou Sciwind Biosciences Co., Ltd.*	Drug Registration Certificate	January 2026	January 2031
3	Hangzhou Sciwind Biosciences Co., Ltd.*	Drug Registration Certificate	March 2026	March 2031
4	Hangzhou Sciwind Biosciences Co., Ltd.*	Class II Medical Device Distribution Filing Electronical Certificate Technology Standard	January 2026	N/A
5	Hangzhou Sciwind Biosciences Co., Ltd.*	Drug Manufacturing License	March 2026	November 2029
6	Beijing Sciwind Biotechnology Co., Ltd.*	Beijing Pathogenic Microorganism Laboratory and Experimental Activities Filing Notice	May 2024	N/A
7	Hangzhou Sciwind Biosciences Co., Ltd.*	Foreign Trade Business Operators Registration	June 2022	N/A

The successful renewal of our existing licenses permits and certifications will be subject to our fulfillment of relevant requirements.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, to our best knowledge, we had not been a party to any threat of, any legal, arbitral or administrative proceeding which, in our opinion, would likely have a material and adverse effect on our business, financial condition or results of operations. Further, during the Track Record Period and up to the Latest Practicable Date, to our best knowledge, none of our Directors or senior management personnel was personally involved in any of these legal, arbitral or administrative proceedings.

Regulatory Compliance

Our PRC Legal Adviser confirmed that during the Track Record Period and up to the Latest Practicable Date, we had complied with applicable PRC laws and regulations relating to our business operations in all material aspects.

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining robust risk management and internal control systems tailored to our business operations, with a continuous focus on enhancing their effectiveness. We continually review the implementation of our risk management and internal control policies and procedures to enhance their effectiveness and sufficiency.

Audit Committee Experience and Qualification and Board Oversight

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors. For the professional qualifications and experiences of the members of our Audit Committee, see "Directors and Senior Management."

Financial Reporting Risk Management

Our financial reporting risk management includes a comprehensive set of accounting policies. We have established procedures to effectively implement these policies, and our financial department regularly reviews management accounts based on these procedures. Additionally, we provide ongoing training to our finance department employees to ensure they are well-versed in and can effectively apply our financial management and accounting policies in our daily operations.

Internal Control Risk Management

We maintain rigorous internal procedures to secure all necessary licenses, permits, and approvals for our operations, with regular reviews by our internal control team to monitor the status and effectiveness of these authorizations.

Further, our dedicated compliance function is deeply integrated with our finance and business operations, operating in close synergy to proactively identify, assess, and mitigate potential risks across the organization. The key mandates of this function include: (a) conducting thorough risk assessments and providing strategic guidance on risk management strategies; (b) driving the enhancement of operational efficiency and continuously monitoring the effectiveness of our internal controls; and (c) fostering a strong, group-wide culture of risk awareness and accountability.

Human Resources Risk Management

We conduct regular and specialized training tailored to the diverse needs of our departments, ensuring that our staff's skills are current and aligned with our customer service objectives. We provide all employees with an employee handbook, approved by management, that outlines internal rules and guidelines on best commercial practices, work ethics, fraud prevention, negligence, and corruption.

Sensitive Scientific Data Protection

We have adopted internal control measures to ensure our compliance with the applicable laws and regulations with respect to the handling of scientific data involving state secrets, national security, social public interests, commercial secrets or personal privacy ("**Sensitive Scientific Data**"). For details, see "— Privacy And Data Security."

Anti-corruption and Anti-fraud Management

We have adopted various internal regulations against corrupt and fraudulent activities, which include measures against receiving bribes and kickbacks, and misuse of company assets. Major measures and procedures to implement such regulations include: (i) authorizing our audit and supervision department to assume responsibility for daily execution of our anti-corruption and anti-fraud measures; (ii) providing anti-corruption compliance training periodically to our senior management and employees; (iii) undertaking rectification measures with respect to any identified corrupt or fraudulent activities; (iv) requiring our employees to abide by our compliance requirements, and make necessary representations and warranties to us; (v) communicating our anti-bribery and anti-corruption principles to the CROs and CDMOs; and (vi) establishing a supervision system that allows complaints and reports regarding non-compliant behavior of our employees and external customers and suppliers to be submitted to our management.

Our Directors are of the view that such controls and measures are sufficient and effective to avoid the occurrence of corruption, bribery, or other improper conduct of our employees. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any government investigation or litigation with respect to claims or allegations of monetary and non-monetary bribery activities, and to the best knowledge of our Directors, none of our employees were involved in any bribery or kickback arrangements.

We have designated responsible personnel to monitor our ongoing compliance with relevant laws and regulations that govern our business operations, and to oversee the implementation of any necessary measures. We believe that we have established adequate internal procedures, systems and controls in relation to anti-corruption and anti-bribery law compliance.

BOARD OF DIRECTORS

Our Board of Directors consists of nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments. Our Board is responsible and has general powers for the management and operation of the Company's business.

The table below sets forth certain information in respect of the members of the Board:

Name	Age	Position for the current tenure	Time of joining our Group	Date of appointment as a Director	Responsibility
Executive Directors					
Dr. Pan Hai (潘海)	[51]	Chairman, executive Director, and general manager	August 17, 2017	August 17, 2017	Overall strategic planning, business direction and operational management of the Group
Dr. Wu Xinle (吳心樂)	[51]	Executive Director and chief scientific officer	January 4, 2021	September 20, 2021	Responsible for the scientific direction of our pipelines and overseeing the R&D activities of our Company
Mr. Li Yao (李堯)	[43]	Executive Director and deputy general manager	October 1, 2017	May 15, 2020	Responsible for the end-to-end management of our Company's projects, from initiation to the completion of regulatory approval
Mr. Han Baolei (韓葆磊)	[48]	Executive Director and deputy general manager	November 7, 2022	April 18, 2025	Responsible for developing and implementing our Group's business development strategy, and focusing on securing strategic partnerships and transactions
Ms. Yang Liu (楊柳)*Note*	[40]	Executive Director and project director	October 1, 2017	October 14, 2020	Responsible for overseeing the end-to-end management of our Company's Core Product
Non-executive Director					
Mr. Qin Hao (秦浩)	[35]	Non-executive Director	August 18, 2023	August 18, 2023	Providing guidance and advice on corporate strategy and governance to our Company
Independent non-executive Directors					
Dr. Wang Gang (王剛)	[68]	Independent non-executive Director	August 18, 2023	August 18, 2023	Responsible for providing independent opinion and judgment to the Board
Mr. Deng Shigang (鄧仕剛)	[53]	Independent non-executive Director	September 16, 2025	September 16, 2025	Responsible for providing independent opinion and judgment to the Board
Dr. Zhang Miao (張淼)	[50]	Independent non-executive Director	August 18, 2023	August 18, 2023	Responsible for providing independent opinion and judgment to the Board

Note: Ms. Yang Liu (楊柳) is formerly known as Ms. Yang Dawei.

DIRECTORS

Executive Directors

Dr. Pan Hai (潘海) is the founder, Chairman, executive Director, and general manager of our Company. He founded our Company and served as an executive Director in August 2017. Later, he was appointed as the Chairman in December 2017. In September 2025, he was redesignated as the Chairman and an executive Director. He has also served as the director at the Company's subsidiaries since their respect establishment date.

Dr. Pan is a seasoned entrepreneur in the pharmaceutical industry with over 20 years of experience in drug development. During his nearly nine years as the principal scientist at Amgen Inc., a world-leading biotechnology company listed on Nasdaq (stock code: AMGN.Nasdaq), Dr. Pan engaged in CMC development of biologics from February 2003 to August 2011. Dr. Pan joined Kawin Technology, a biotech company listed on the Shanghai Stock Exchange (stock code: 688687.SH) in 2011 and served as its deputy general manager responsible for R&D. Under Dr. Pan's leadership, Kawin Technology has explored various opportunities, spearheading early exploration into areas such as immune-related and long-acting GLP-1 projects. In January 2019, Dr. Pan resigned from his management positions at Kawin Technology and remained as its external scientific advisor till 2020, mainly providing project-based consultation. After founding our Group, Dr. Pan and his teams advanced our Company's lead asset, ecnoglutide, to BLA submission. Over the same period, Dr. Pan led efforts to raise approximately RMB2.2 billion across seven rounds of private financing and built a team of over 150 personnel.

Dr. Pan has published numerous papers in renowned scientific journals including *The Lancet Diabetes & Endocrinology (Lancet D&E)*, *Nature Communications*, and the *Journal of the American Chemical Society (JACS)*. Dr. Pan graduated from the Department of Intensive Instruction (基礎學科教學強化部), currently known as Kuang Yaming Honors School (匡亞明學院), of Nanjing University (南京大學) in the PRC and obtained his bachelor's degree in July 1996. He obtained his doctoral degree in chemistry from The University of Nebraska-Lincoln in the U.S. in December 2002.

Dr. Wu Xinle (吴心樂) was appointed as a Director in September 2021 and was redesignated as an executive Director in September 2025. He has served as the chief scientific officer since January 2021.

Dr. Wu has over 25 years of experiences in the pharmaceutical and biotechnology industries. From August 2002 to December 2005, Dr. Wu worked at UT Southwestern Medical Center, serving as its postdoctoral researcher I and conducted research with a focus on biochemistry. From December 2005 to March 2012, Dr. Wu served as the principal scientist of Amgen Inc., a world-leading biotechnology company listed on Nasdaq (stock code: AMGN.Nasdaq). From March 2012 to July 2019, he served as a director and senior director of Lilly (CHINA) Research and Development Co., Ltd. (禮來(中國)研發有限公司). From July 2019 to December 2020, Dr. Wu served as the chief scientific officer of Beijing QL Biopharmaceutical Co., Ltd. (北京質肽生物醫藥科技有限公司).

Dr. Wu obtained a bachelor's degree in Biophysics from Fudan University (復旦大學) in the PRC in June 1997 and a PhD in Biochemistry from Case Western Reserve University in the U.S. in August 2002.

Mr. Li Yao (李堯) joined our Group in October 2017, and was appointed as a Director in May 2020. He was redesignated as an executive Director in September 2025. Mr. Li also served as a director at Sciwind APAC.

Mr. Li joined our Company in October 2017. From October 2017 to July 2020, he served as the director of quality and project manager of our Company, responsible for research and

management of the research quality and participated in research and development of XW003. From August 2020 to November 2021, he served as the executive director of our drug development and head of quality and was responsible for pharmaceutical research of pipeline projects. He then served as the project executive director of our Company from December 2021 to March 2023. Mr. Li has been our deputy general manager since April 2023. Prior to joining our Group, Mr. Li served successively as project manager and the manager of analytics department at Kawin Technology from August 2011 to September 2017.

Mr. Li obtained a bachelor's degree in biological sciences and a master's degree in biochemistry and molecular biology from Hebei University (河北大學) in the PRC in June 2005 and June 2009, respectively.

Mr. Han Baolei (韓葆磊) was appointed as a Director in April 2025 and was redesignated as an executive Director in September 2025. He has served as a deputy general manager of business development since November 2022.

Mr. Han has extensive experience in business development and corporate management in pharmaceutical industry. From August 1999 to March 2013, Mr. Han worked at Beijing Holley-Cotec Pharmaceuticals Co., Ltd. (北京華方科泰醫藥有限公司), a pharmaceutical company in artemisinin industry. From May 2013 to October 2013, Mr. Han worked at Synthasia Healthcare Ltd. (公信貿易(上海)有限公司) with his last position as strategic project manager. From November 2013 to July 2014, he served as the business development director at Zhengzhou Xihua Medical Equipment Co., Ltd. (鄭州熙華醫療器械有限公司), a medical device company. From August 2014 to July 2017, Mr. Han served as the manager of business development department at China Resources Saike Pharmaceutical Co., Ltd. (華潤賽科藥業有限責任公司), a subsidiary of 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). Prior to joining our Group, from August 2017 to November 2022, he served as the senior business director of the investment and development department at China Grand Enterprises, Inc. (中國遠大集團有限責任公司).

Mr. Han obtained his bachelor's degree in public health management from Beijing University of Chinese Medicine (北京中醫藥大學) in the PRC in July 1999, and an MBA degree from ESSEC Business School in France in July 2007.

Ms. Yang Liu (楊柳) joined our Company in October 2017, and was appointed as a Director in October 2020. She was redesignated as an executive Director in September 2025.

Ms. Yang served as a project manager at our Company from October 2017 to November 2021 and has served as the project director at our Company since November 2021. Prior to joining our Group, she worked at Kawin Technology and subsequently served as a purification specialist at the R&D department and project manager from January 2011 to September 2017.

Ms. Yang obtained her bachelor's degree in biological engineering from Shandong Jianzhu University (山東建築大學) in the PRC in July 2008 and her master's degree in biochemical engineering from Dalian University of Technology (大連理工大學) in the PRC in July 2011.

Non-executive Director

Mr. Qin Hao (秦浩) was appointed as a Director in August 2023 and was redesignated as a non-executive Director in September 2025.

Mr. Qin possesses extensive investment experience and professional expertise in the healthcare industry. He joined Shanghai Loyal Valley Investment Management Co., Limited (上

海正心谷投資管理有限公司) ("**Shanghai Loyal Valley**"), a private equity investment company, which mainly invests in the fields of new consumption, healthcare and advanced manufacturing and is an indirect Shareholder of our Company, in June 2017. Starting in June 2017, he worked at Shanghai Loyal Valley. He has been serving as vice president of investment since January 2022, and mainly responsible for the investment in healthcare industry at Shanghai Loyal Valley.

Mr. Qin has also served as a non-executive director at Wenzhou Kangning Hospital Co., Ltd. (溫州康寧醫院股份有限公司), a company listed on the Stock Exchange (stock code: 2120.HK) since June 2021.

Mr. Qin obtained his bachelor's degree in preventive medicine from Peking University (北京大學) in the PRC in July 2014, and his master's degree in finance from Fudan University (復旦大學) in the PRC in June 2017.

Independent Non-executive Directors

Dr. Wang Gang (王剛) was appointed as an independent Director in August 2023 and was redesignated as our independent non-executive Director in September 2025.

Dr. Wang is a distinguished expert in pharmaceutical sciences, renowned for his profound expertise in drug research, regulatory affairs and quality control system. From October 1995 to June 1998, Dr. Wang conducted postdoctoral research at National Institute of Health (NIH) in the United States. He then served as a research scientist at Osiris Therapeutics, Inc. in the United States from June 1998 to July 1999, and later as a biologist at NIH from August 1999 to August 2003. From August 2003 to June 2005, he served as an assistant professor at University of Texas MD Anderson Cancer Center. From June 2005 to April 2017, he worked at the U.S. Food and Drug Administration (FDA), where he held multiple positions including senior policy adviser, assistant director of China Office, senior reviewer and lead inspector.

From April 2017 to April 2018, Dr. Wang served as chief scientist at the Center for Drug Evaluation and Research (CDER) of the China Food and Drug Administration (CFDA). From May 2018 to August 2019, he served as the vice president for quality (Shanghai) at WuXi Biologics Co., Ltd.* (無錫藥明生物技術股份有限公司), a company listed on the Stock Exchange (stock code: 2269.HK). Since August 2019, he has served as the executive director, deputy general manager and chief quality officer at Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司), a company listed on the Stock Exchange (stock code: 1877.HK) and the Shanghai Stock Exchange (stock code: 688180.SH), where he also oversees the monoclonal antibody production and quality assurance. From December 2020 to June 2025, Dr. Wang also served as an independent director at Obio Technology (Shanghai) Corp., Ltd. (和元生物技術(上海)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688238.SH).

Dr. Wang obtained his bachelor's degree in biochemistry from Nanjing University (南京大學) in the PRC in July 1982, his master in biochemistry from Suzhou Medical College (蘇州醫學院) in the PRC in July 1988, and a doctoral degree in pharmacology and toxicology from Dartmouth Medical School in the U.S. in September 1995.

Mr. Deng Shigang (鄧仕剛) was appointed as our independent non-executive Director in September 2025.

Mr. Deng has over 25 years of experience in finance and accounting. From April 1999 to August 2000, he was the financial manager of Guangzhou Panyu MCP Industries Co., Ltd. (廣州番禺美特包裝有限公司), a subsidiary wholly owned by CPMC Holdings Limited, a company listed on the Stock Exchange (stock code: 906.HK) engaging in packages manufacturing and wholesaling. From January 2001 to July 2003, he served as the financial manager at Ming Fai Enterprise (Shenzhen) Co., Ltd (明輝實業(深圳)有限公司), a subsidiary of Ming Fai International Holdings Limited, a company listed on the Stock Exchange (stock code: 3828.HK). From August 2003 to April 2012, he was employed by Kam Hing International Holdings Limited, a company listed on the Stock Exchange (stock code: 2307.HK), where his last position was deputy general manager. From June 2012 to December 2018, he served at EEKA Fashion Holdings Limited (贏家時尚控股有限公司) (formerly known as Koradior Holdings Limited (珂萊蒂爾控股有限公司)), a company listed on the Stock Exchange (stock code: 3709.HK), where he became the chief financial officer in June 2012 and the executive director in March 2014, and was responsible for the overall financial management and operation, and served as a non-executive director from July 2017 to December 2018. From August 2019 to April 2025, Mr. Deng served as the chief financial officer of Gushengtang Holdings Limited, a company listed on the Stock Exchange (stock code: 2273.HK), where he was primarily responsible for overseeing the mergers, acquisitions and financing and taking charge of financial management and capital operating system.

Mr. Deng obtained his bachelor's degree in economics in June 1995 and an MBA degree in June 2001, both from Sun Yat-sen University (中山大學) in the PRC. He obtained his CPA certificate awarded by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in January 2001.

Dr. Zhang Miao (張淼) was appointed as an independent Director in August 2023 and was redesignated as an independent non-executive Director in September 2025.

Since October 2010, Dr. Zhang has served as an associate professor at Nanjing University Law School (南京大學法學院) and an associate professor at the John Hopkins University – Nanjing University Center for Chinese and American Studies (南京大學–約翰•霍普金斯大學中美文化研究中心). He also serves as the director of the Centre for Criminal Law Research at Nanjing University (南京大學刑事法研究中心), deputy director of the China Law Case Study Center at Nanjing University (南京大學中國法律案例研究中心), council member of the China Against Corruption Law Association (中國廉政法制研究會), secretary-general and executive council member of the Jiangsu Provincial Research Association of Criminal Law (江蘇省刑法學研究會), and council member of the Jiangsu Against Corruption Law Association (江蘇省廉政法治研究會). He is also a part-time professor at the Jiangsu Judges College (江蘇省法官學院) and an expert adviser to the Zhenjiang People's Procuratorate (鎮江市人民檢察院). From September 2009 to May 2016, he conducted postdoctoral research in political science at Beijing Normal University (北京師範大學) in the PRC. Prior to this, he was a lecturer at Zhejiang University Ningbo Institute of Technology (浙江大學寧波理工學院), now known as NingboTech University (浙大寧波理工學院) in the PRC from September 2003 to September 2006.

Dr. Zhang obtained his bachelor's degree in management from Dalian University of Technology (大連理工大學) in the PRC in July 1998, and his master's degree and doctoral degree in criminal law from Jilin University (吉林大學) in the PRC in June 2003 and June 2006, respectively.

SENIOR MANAGEMENT

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

Name	Age	Position(s) for the current tenure	Date of appointment as senior management	Time of joining our Group	Roles and Responsibility
Dr. Pan Hai (潘海)	[51]	Chairman, executive Director, and general manager	August 17, 2017	August 17, 2017	Overall strategic planning, business direction and operational management of the Group
Mr. Feng Honggang (馮洪剛). . . .	[61]	President	December 1, 2025	November 3, 2025	Responsible for the commercialization strategy planning and execution, and overseeing operational management system of our Company
Dr. Wu Xinle (吳心樂) . . .	[51]	Executive Director and chief scientific officer	January 4, 2021	January 4, 2021	Responsible for the scientific direction of our pipelines and overseeing the R&D activities of our Company
Mr. Li Yao (李堯)	[43]	Executive Director and deputy general manager	April 3, 2023	October 1, 2017	Responsible for the end-to-end management of our Company's projects, from initiation to the completion of regulatory approval
Mr. Han Baolei (韓葆磊) . . .	[48]	Executive Director and deputy general manager	November 7, 2022	November 7, 2022	Responsible for developing and implementing our Group's business development strategy, and focusing on securing strategic partnerships and transactions
Ms. Tong Jinling (童金玲) . . .	[39]	Board Secretary, director of external affairs and joint company secretary	August 18, 2023	March 27, 2023	Responsible for securities-related affairs and other external affairs of our Company
Mr. Yu Bing (余兵)	[37]	Financial director	February 12, 2025	February 12, 2025	Responsible for overseeing the overall financial management of our Company

Dr. Pan Hai (潘海), see "— Executive Directors" in this section for details of his biography.

Mr. Feng Honggang (馮洪剛) joined our Group in November 2025 and was appointed as a president in December 2025.

Mr. Feng possesses extensive experience in the healthcare industry. Mr. Feng started his career as an internist and an endocrinologist in different hospitals. Prior to joining our Company, from August 2007 to September 2014, Mr. Feng served as the general manager of Shihuida Pharma Group (施慧達藥業集團). From January 2015 to November 2019, he served as the president of Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司) (stock code: 2096.HK), and held other leadership positions from 1994 to 2007, including as a director of biomedical department, vice president of its research institute and as a director of marketing department. He then served as managing director of the post-investment operations managment team of CBC Group, a healthcare-dedicated asset management firm, where he primarily participated in portfolio management and was responsible for the post-investment management. From February 2025 to October 2025, he served at Hasten Biopharmaceutical Co., Ltd. (海森生物醫藥有限公司) and its affiliates with his last position as the chief executive officer, where he oversaw the overall management.

Additionally, Mr. Feng has served as a non-executive director at Everest Medicines Limited (雲頂新耀有限公司), a company listed on the Stock Exchange (stock code: 1952.HK), from February 2024 to October 2025

Mr. Feng received his medical education from Yangzhou Medical Junior College (揚州醫學專科學校) (now known as Yangzhou University Medical College (揚州大學醫學院)) in September 1982 and obtained a master's degree in medicine from China Medical University (中國醫科大學) in July 1989. In September 1990, he was certified as attending physician by the Affiliated Hospital of Nanjing Railway Medical College (南京鐵道醫學院附屬醫院) (now known as Zhongda Hospital Southeast University (東南大學附屬中大醫院)).

Dr. Wu Xinle (吳心樂), see "— Executive Directors" in this section for details of his biography.

Mr. Li Yao (李堯), see "— Executive Directors" in this section for details of his biography.

Mr. Han Baolei (韓葆磊), see "— Executive Directors" in this section for details of his biography.

Ms. Tong Jinling (童金玲) joined our Company in March 2023 and served as the head of securities department and head of external affairs of our Company from March 2023 to August 2023. Ms. Tong has served as the Board secretary and the director of external affairs since August 2023. She was also appointed as a joint company secretary in September 2025.

Ms. Tong has over 15 years of experience spanning securities affairs and corporate management. Prior to joining our Group, from March 2008 to March 2023, Ms. Tong held multiple roles at Zhejiang Wolwo Bio-Pharmaceutical Co., Ltd. (浙江我武生物科技股份有限公司) ("**Wolwo**"), a company listed on the Shenzhen Stock Exchange (stock code: 300357.SZ), including among others, the principal of audit department and the director of investor relationships of Wolwo.

Ms. Tong obtained her bachelor's degree in information management and information systems from Anhui University of Science and Technology (安徽理工大學) in the PRC in June 2008. She holds a Professional Accounting Certificate and obtained the Secretary to the Board Qualification Certificate awarded by the Shenzhen Stock Exchange in August 2020.

Mr. Yu Bing (余兵) joined our Group in February 2025 and has served as our financial director since then.

Mr. Yu possesses extensive knowledge and experience in pharmaceutical industry and financial management of listed companies. From February 2010 to October 2010, Mr. Yu served as a cost accountant at Ningbo Aosheng Trading Co. Ltd. (寧波奧勝貿易有限公司) (formerly known as Ningbo AUX AIR Conditioner Co., Ltd. (寧波奧克斯空調有限公司)), a wholly-owned subsidiary of Aux Electric Co., Ltd. (奧克斯電氣有限公司), a leading air conditioner provider listed on the Stock Exchange (stock code: 2580.HK). From February 2011 to July 2014, he worked in the finance department at Zhejiang SUPOR Electrical Appliances Manufacturing Co., Ltd. (浙江蘇泊爾家電製造有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002032.SZ). From July 2014 to June 2024, Mr. Yu served at Zhejiang Hisun Pharmaceutical Co., Ltd.* (浙江海正藥業股份有限公司) ("**Hisun Pharmaceutical**"), a company listed on the Shanghai Stock Exchange (stock code: 600267.SH), and its subsidiary, Hisun-Pfizer Pharmaceuticals Co., Ltd.* (海正輝瑞製藥有限公司) ("**Hisun-Pfizer**"), successively holding the positions including financial manager at Hisun-Pfizer and senior finance manager, deputy accounting director and accounting director at Hisun Pharmaceutical. From July 2024 to February 2025, he served as the director of factory finance center at Yangtze River Pharmaceutical (Group) Co., Ltd. (揚子江藥業集團有限公司), a leading pharmaceutical company in China.

Mr. Yu obtained a bachelor's degree in financial management from West Anhui University (皖西學院) in the PRC in July 2010 and a master's degree in business management (Industry Investment Concentration) from Fudan University (復旦大學) in the PRC in June 2024.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Saved as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document. There are no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

As of the Latest Practicable Date, none of our Directors or senior management were related to other Directors or senior management of our Company.

Saved as disclosed in the sections headed "Relationship with our Single Largest Shareholders Group", "Substantial Shareholders" and "Appendix IV — Statutory and General Information — Further Information about Our Directors and Senior Management and Substantial Shareholders — Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations", as of the Latest Practicable Date, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

JOINT COMPANY SECRETARIES

Ms. Tong Jinling was appointed as our joint company secretary in September 2025. For details of her biography, see "— Senior Management."

Mr. Ng Tung Ching Raphael (吳東澄) was appointed as our joint company secretary in September 2025, and is a seasoned professional with over 14 years of extensive experience in the legal and company secretarial domains, specializing in corporate governance and compliance. He currently serves as the assistant vice president, Entity Solutions of Computershare Hong Kong Investor Services Limited.

Mr. Ng holds a master's degree in Chinese business law from The Chinese University of Hong Kong and a master's degree in professional accounting and corporate governance from The City University of Hong Kong. He earned his bachelor's degree in law from Manchester Metropolitan University. Mr. Ng is an Associate Member of both The Hong Kong Chartered Governance Institute (the "**HKCGI**", formerly known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. He also possesses the practitioner's endorsement from HKCGI.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Deng Shigang (鄧仕剛), Dr. Wang Gang (王剛) and Dr. Zhang Miao (張淼). Mr. Deng Shigang (鄧仕剛), who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to, the following:

- proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;

- coordinating the communication among management, internal audit department, related departments and external audit agency; and

- dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee consists of three Directors, namely Dr. Zhang Miao (張淼), Dr. Pan and Mr. Deng Shigang (鄧仕剛). Dr. Zhang Miao (張淼) serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies;

- examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual performance evaluation;

- supervising the implementation of the remuneration plan of the Company;

- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and

- dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Dr. Wang Gang (王剛), Dr. Zhang Miao (張淼) and Ms. Yang Liu (楊柳). Dr. Wang Gang (王剛) serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure;

- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;

- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;

- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;

- assessing and reviewing the independence of independent non-executive Directors; and

- dealing with other matters that are authorized by our Board.

Strategy Committee

We have established the Strategy Committee with written terms of reference in place. The Strategy Committee consists of three members, namely Dr. Pan, Dr. Wu Xinle (吳心樂) and Dr. Wang Gang (王剛), with Dr. Pan serving as the chairman of the Strategy Committee. The primary duties of the Strategy Committee include, but not limited to, the following:

- analyzing and making recommendations on the long-term development strategy plans of our Company;

- analyzing and making recommendations on major investment and financing proposals; and

- analyzing and making recommendations on other major issues that would affect the development of our Company.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

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 September 3, 2025, and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he 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 the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointments.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management receive their remuneration in the form of Directors' salary and allowances, contributions to our retirement benefit scheme, discretionary bonuses and other benefits in kind (if applicable).

For the financial years ended 2024 and 2025, the total remuneration paid to our then Directors and the chief executive amounted to approximately RMB15.9 million and RMB12.5 million, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors in kind for their service for the year ending December 31, 2026, to be approximately RMB14.09 million. The actual remuneration of Directors in the year ending December 31, 2026 may be different from the expected remuneration.

For the financial years ended 2024 and 2025, the total emoluments paid to the five highest paid individuals who are neither director nor chief executive of the Company by our Group amounted to approximately RMB7.0 million and RMB 6.5 million, respectively.

For the financial years ended 2024 and 2025, no fees were paid by our Group to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

Save as disclosed above, none of the Directors waived their remuneration during the relevant period. The remuneration of Directors and senior management is determined with reference to factors including operating results of our Company, market comparables and the achievement of major operating indicators of our Company.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [**REDACTED**].

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies [**REDACTED**] on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Dr. Pan, our chairman of the Board, executive Director and general manager, currently performs these two roles. Dr. Pan is the founder of our Company and has extensive experience in the pharmaceutical industry. The Board believes that vesting the roles of both chairman of the Board and general manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, given that: (1) decision to be made by our Board of Directors requires approval by at least a majority of our Directors; (2) Dr. Pan and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (3) the balance of power and authority is ensured by the operations of the Board of Directors, including three independent non-executive Directors, and has a fairly strong independence element; and (4) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board of Directors and senior management levels.

The Board will continue to review and consider splitting the roles of chairman and chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. For further information relating to the Company's corporate governance measures, please see the section headed "Relationship with our Single Largest Shareholders Group — Corporate Governance."

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We [have adopted] the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of automotive, finance, corporate management and governance. They obtained degrees in various areas including pharmacy, engineering, management and business administration. Our Board Diversity Policy is well implemented as evidenced by the fact that there are Directors ranging from [34] years old to [68] years old and comprises one female Director and eight male Directors. We will use our best efforts to maintain at least one female representation in the Board and continue to take steps to promote diversity at all levels of the Company including but without limitation to our Board and senior management levels, to enhance the effectiveness of corporate governance of the Company as a whole. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [**REDACTED**], our Nomination Committee will review the board diversity policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our compliance adviser (the "**Compliance Adviser**") pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

(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, developments or results deviate from any forecast, estimate or other information in this Document; and

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [**REDACTED**] or [**REDACTED**] volume of its [**REDACTED**] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser 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 Adviser 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 continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [**REDACTED**] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date and without taking into account the [**REDACTED**], Dr. Pan, the founder, Chairman of the Board, executive Director, and general manager, is entitled to exercise approximately 28.28% voting rights in our Company through (i) 1,515,796 Shares directly held by him, representing approximately 6.53% voting rights in our Company; (ii) 2,282,584 Shares through Beijing Junyida, representing approximately 9.84% voting rights in our Company, and (iii) 2,762,405 Shares through the Employee Incentive Platforms (i.e., Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida) in aggregate, representing approximately 11.91% voting rights in our Company. Beijing Yangyuan, a company wholly owned by Dr. Pan, is the sole general partner of each of the Employee Incentive Platforms, thus entitled to exercise the voting rights held by each Employee Incentive Platform.

Immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised), Dr. Pan will be directly and indirectly entitled to exercise approximately [**REDACTED**]% voting rights in our Company in aggregate. Accordingly, Dr. Pan, Beijing Junyida, Beijing Yangyuan and the Employee Incentive Platforms will be members of our Single Largest Shareholders Group upon the [**REDACTED**]. There will be no controlling shareholder of our Company under the Listing Rules upon [**REDACTED**].

For further details, see "History, Development and Corporate Structure" and "Directors and Senior Management" in this Document.

INDEPENDENCE OF OUR BUSINESS

Having considered the following factors, our Directors are satisfied that we are able to carry out our business independently from our Single Largest Shareholders Group and their close associates upon and after the [**REDACTED**].

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We hold our own operation resources including but not limited to franchisees and suppliers, as well as our own registered patents which can be used for producing our products. We have a team of senior management to operate the business independently from our Single Largest Shareholders Group and their close associates. We hold the licenses, intellectual property rights and qualifications necessary to carry on our principal business. We also have access to third parties independently from, and not connected with, our Single Largest Shareholders Group for sources of suppliers, franchisees and business partners, and have sufficient capital, facilities and employees to operate our business independently from our Single Largest Shareholders Group and their close associates.

Based on the above, our Directors believe that we are operationally independent from our Single Largest Shareholders Group and their respective close associates.

Management Independence

Our management and operational decisions are made by the Board in a collective manner. The Board comprises nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Single Largest Shareholders Group and their respective close associates for the following reasons:

(a) each of our Directors is aware of his or her fiduciary duties as a director, which require, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests;

(b) all other members of the Board and senior management have no other relationship with the Single Largest Shareholders Group and their respective close associates. They have substantial experience in the industry as further described in the section headed "Directors and Senior Management", which will enable them to discharge their duties independently from the Single Largest Shareholders Group;

(c) our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders; and

(d) where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Single Largest Shareholders Group or any of their respective close associates have a material interest, the relevant Directors or our Single Largest Shareholders Group and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting.

Financial Independence

We have the internal financial department with a team of finance staff and an independent audit, accounting and financial management system independent from our Single Largest Shareholders Group and their respective close associates. We have also established an independent financial system to make the decisions based on our own business needs.

In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Single Largest Shareholders Group and their respective close associates. During the Track Record Period and up to the Latest Practicable Date, we had received the Pre-[**REDACTED**] Investments from third party investors independently. For details of the Pre-[**REDACTED**] Investments, see "History, Development and Corporate Structure". As of the Latest Practicable Date, there were no loans, advances and balances due to or from our Single Largest Shareholders Group or their respective close associates, nor were there any pledges and guarantees provided by and to our Single Largest Shareholders Group or their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflict of interests between our Single Largest Shareholders Group and our Group and to safeguard the interests of our Shareholders taken as a whole for the following reasons:

- where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholders Group or any of their respective close

associates has a material interest, our Single Largest Shareholders Group will not vote on the resolutions and shall not be counted in the quorum in the voting;

- our Group has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if any transaction is proposed between our Group and our Single Largest Shareholders Group and their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders' approval;

- our Board consists of a balanced composition of executive Directors, non-executive Director and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board 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 to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders;

- where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

- we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser, who 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, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Company and our Single Largest Shareholders Group, and to protect our minority Shareholders' interests after the [**REDACTED**].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and the conversion of our Unlisted Shares to H Shares assuming the [**REDACTED**] and the [**REDACTED**] are not exercised, the following persons will have an interest and/or short position in the 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, will be, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

		As of the Latest Practicable Date and without taking into account the [REDACTED]		Immediately following the [REDACTED] (taking into account the [REDACTED], and assuming the [REDACTED] and the [REDACTED] are not exercised)		
Name of Shareholder	Nature of Interest	Number of Shares	Approximate percentage of shareholding in our total share capital	Number of Shares[1]	Approximate percentage of shareholding in Unlisted Shares/ H Shares[2]	Approximate percentage of shareholding in our total share capital[2]
Dr. Pan[3]	Beneficial owner; Interest in controlled corporations	6,560,785	28.28%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]%
Beijing Yangyuan[3]	Interest in controlled corporations	2,762,405	11.91%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]%
Beijing Junyida[3]	Beneficial owner	2,282,584	9.84%	[REDACTED]	[REDACTED]%	[REDACTED]%
Beijing Heweida[3]	Beneficial owner	1,354,999	5.84%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]%
Linzhi Yongzheng[4]	Beneficial owner	1,974,805	8.51%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]%
Tencent Holdings Limited[4][5]	Interest in controlled corporations	3,214,162	13.85%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]%
Winner Delight Limited[6]	Beneficial owner	1,690,456	7.29%	[REDACTED]	[REDACTED]%	[REDACTED]%

		As of the Latest Practicable Date and without taking into account the [REDACTED]		Immediately following the [REDACTED] (taking into account the [REDACTED], and assuming the [REDACTED] and the [REDACTED] are not exercised)		
Name of Shareholder	Nature of Interest	Number of Shares	Approximate percentage of shareholding in our total share capital	Number of Shares[1]	Approximate percentage of shareholding in Unlisted Shares/ H Shares[2]	Approximate percentage of shareholding in our total share capital[2]
Ho Chi Sing[6]	Interest in controlled corporations	2,276,053	9.81%	[REDACTED]	[REDACTED]%	[REDACTED]%
Yang Fei[6]	Interested in controlled corporation	1,690,456	7.29%	[REDACTED]	[REDACTED]%	[REDACTED]%
Hanhai Information[7]	Beneficial owner	2,227,666	9.60%	[REDACTED]	[REDACTED]%	[REDACTED]%
Meituan[7]	Interest in controlled corporation	2,227,666	9.60%	[REDACTED]	[REDACTED]%	[REDACTED]%
Panorama Point Limited[8]	Beneficial owner	1,833,848	7.90%	[REDACTED]	[REDACTED]%	[REDACTED]%
LYFE Fund III[8]	Interest in controlled corporation	1,833,848	7.90%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Lin Lijun[9]	Interest in controlled corporation	1,607,039	6.93%	[REDACTED]	[REDACTED]%	[REDACTED]%
Legend Capital[10]	Interest in controlled corporation	1,477,740	6.37%	[REDACTED]	[REDACTED]%	[REDACTED]%
Jiaxing Danqing[11]	Beneficial owner	1,424,044	6.14%	[REDACTED]	[REDACTED]%	[REDACTED]%
Shiyu Capital[11]	Interest in controlled corporation	1,424,044	6.14%	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**] since [**REDACTED**] Unlisted Shares will be [**REDACTED**] into H Shares and [**REDACTED**] H Shares will be [**REDACTED**] pursuant to the [**REDACTED**], taking into account the [**REDACTED**] and assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised.

(3) As of the Latest Practicable Date, Dr. Pan held approximately 65% of the equity interest in Beijing Junyida and was deemed to be interested in the Shares held by Beijing Junyida in our Company by virtue of the SFO.

As of the Latest Practicable Date, Beijing Yangyuan, a company wholly owned by Dr. Pan, was the sole general partner of each of Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida. By virtue of the SFO, each of Dr. Pan and Beijing Yangyuan is deemed to be interested in the Shares held by each of Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida, respectively.

(4) As of the Latest Practicable Date, each of Linzhi Yongzheng Information Technology Co., Ltd. (林芝永正信息科技有限公司) ("**Linzhi Yongzheng**") and Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司) ("**Guangxi Tencent**") was a wholly-owned subsidiary of Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司) ("**Tencent Ruijian**"), which is a subsidiary of Shenzhen Tencent Ruitou Enterprise Management Co., Ltd. (深圳市騰訊睿投企業管理有限公司) ("**Tencent Ruitou**"). Tencent Ruitou is owned each as to 50% by Shenzhen Tengyuan Enterprise Management Partnership (Limited Partnership) (深圳市藤遠企業管理合夥企業(有限合夥)) ("**Shenzhen Tengyuan**") and Shenzhen Tenglv Enterprise Management Partnership (Limited Partnership) (深圳市藤綠企業管理合夥企業(有限合夥)) ("**Shenzhen Tenglv**"). The general partner of both Shenzhen Tengyuan and Shenzhen Tenglv is Shenzhen Tengqing Enterprise Management Co., Ltd. (深圳市藤青企業管理有限公司) ("**Shenzhen Tengqing**") which is a subsidiary of Tencent Holdings Limited (stock code: 700.HK (HKD counter) and 80700.HK (RMB counter)). Therefore, by virtue of SFO, each of Tencent Ruijian, Tencent Ruitou, Shenzhen Tengyuan, Shenzhen Tenglv, Shenzhen Tengqing and Tencent Holdings Limited is deemed to be interested in Shares held by each of Linzhi Yongzheng and Guangxi Tencent, respectively.

(5) As of the Latest Practicable Date, Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) is managed by its general partner, Suzhou Yaoyi Enterprise Management Co., Ltd. (蘇州垚益企業管理有限公司), which is wholly owned by Shenzhen Zeyi Consultancy Co., Ltd. (深圳市澤益諮詢有限公司). Suzhou Tencent Phase I Investment Fund Partnership (Limited Partnership) (蘇州騰訊一期跟投基金合夥企業(有限合夥)) is the largest limited partner of Suzhou Paiyi Venture Capital Partnership L.P..

(6) As of the Latest Practicable Date, Winner Delight ("**Winner Delight**") is a company incorporated in Hongkong, which is wholly owned by IDG Breyer Capital Fund L.P. ("**IDG Breyer Fund**"), an exempted limited partnerships established under the laws of the Cayman Islands. The sole general partner of IDG Breyer Fund is IDG Breyer Capital Fund GP Associates L.P. ("**IDG Breyer Associates L.P.**") while IDG Breyer Capital Fund GP Associates Ltd. ("**IDG Breyer Associates Ltd.**") serves as the sole general partner of IDG Breyer Associates L.P.. IDG Breyer Associates Ltd. is controlled by Ho Chi Sing and Yang Fei. As such, by virtue of the SFO, each of Ho Chi Sing, Yang Fei, IDG Breyer Associates Ltd., IDG Breyer Associates L.P. and IDG Breyer Fund was deemed to be interested in the Shares held by Winner Delight.

As of the Latest Practicable Date, Kingdom Team Limited ("**Kingdom Team**") is a company incorporated in Hongkong, which is wholly owned by IDG Capital Project Fund Rhododendron L.P. ("**IDG Rhododendron**"), an exempted limited partnerships established under the laws of the Cayman Islands. The sole general partner of IDG Rhododendron is IDG Capital Project Fund Rhododendron GP L.P. ("**IDG Rhododendron GP L.P.**") while IDG Capital Project Fund Rhododendron GP Ltd. ("**IDG Rhododendron GP Ltd.**") serves as the sole general partner of IDG Rhododendron GP L.P.. IDG Rhododendron GP Ltd. is controlled by Ho Chi Sing. As such, by virtue of the SFO, each of Ho Chi Sing, IDG Rhododendron GP Ltd., IDG Rhododendron GP L.P. and IDG Rhododendron was deemed to be interested in the Shares held by Kingdom Team.

(7) As of the Latest Practicable Date, Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司) ("**Hanhai Information**") was a wholly-owned subsidiary of Solid Bit (Hong Kong) Limited ("**Solid Bit**") and in turn wholly owned by Dianping Holdings Ltd., which was a wholly-owned subsidiary of Meituan ("**Meituan**"), a company listed on the Main Board of the Stock Exchange, stock codes: 3690 (HKD counter) and 83690 (RMB counter). As such, by the virtue of the SFO, each of Meituan, Solid Bit and Dianping Holdings Ltd. was deemed to be interested in the Shares held by Hanhai Information.

(8) As of the Latest Practicable Date, Panorama Point Limited ("**Panorama**") was held as to 49.70% by LYFE Capital Fund III (Dragon), L.P. ("**LYFE Fund III**"). None of the other shareholders of Panorama held 30% or more of the shareholding interest in Panorama. LYFE Fund III was managed by its general partner, LYFE Capital Management Limited, an exempted Company incorporated in Cayman Islands. None of the limited partners of LYFE Fund III held 30% or more of its partnership interest. As such, by the virtue of the SFO, LYFE Fund III and LYFE Capital Management Limited were deemed to be interested in the Shares held by Panorama.

(9) As of the Latest Practicable Date, each of Shanghai Tanying Investment Partnership Enterprise (Limited Partnership) (上海檀英投資合夥企業(有限合夥)) ("**Shanghai Tanying**"), Shanghai Leyong Investment Partnership Enterprise (Limited Partnership) (上海樂永投資合夥企業(有限合夥)) ("**Shanghai Leyong**") and Zhuhai Hengqin Xule Investment Management Enterprise (Limited Partnership) (珠海市橫琴旭勒投資管理企業(有限合夥)) ("**Hengqin Xule**") was a limited partnership controlled and managed by its general partner, Shanghai Zhengxingu Investment Management Co., Ltd. (上海正心谷投資管理有限公司) ("**Shanghai Loyal Valley**"). Shanghai Loyal Valley was a limited company wholly owned by Mr. Lin Lijun. As such, by the virtue of the SFO, each of Mr. Lin Lijun and Shanghai Loyal Valley was deemed to be interested in the Shares held by each of Shanghai Tanying, Shanghai Leyong and Hengqin Xule.

As of the Latest Practicable Date, the general partner of Loyal Valley Capital Advantage Fund III LP ("**LVC Fund III**") is a private equity fund managed by Loyal Valley Capital Advantage Fund III Limited, which was ultimately controlled by Mr. Lin Lijun. As such, by the virtue of the SFO, each of Mr. Lin Lijun and Loyal Valley Capital Advantage Fund III Limited was deemed to be interested in the Shares held by LVC Fund III.

(10) As of the Latest Practicable Date, Suzhou Legend Xinkang Venture Capital Partnership (Limited Partnership) (蘇州君聯欣康創業投資合夥企業(有限合夥)) ("**Legend Xinkang**") is a limited partnership established in the PRC. The general partner of Legend Xinkang is Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) ("**Lhasa Junqi**") a wholly owned subsidiary of Legend Capital Co., Ltd. (君聯資本管理股份有限公司) ("**Legend Capital**"), a company owned as to 80% by Beijing Juncheng Hezhong Investment Management Partnership Enterprise (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)) ("**Beijing Juncheng Hezhong**"). Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司) ("**Beijing Junqi Jiarui**"), a company with limited liability and the general partner of Beijing Juncheng Hezhong, is also the general partner of each of the limited partners of Beijing Juncheng Hezhong. Beijing Junqi Jiarui is actually controlled by and owned as to 40% by Chen Hao (陳浩).

Healthy Growth Limited ("**Healthy Growth**") was a wholly-owned subsidiary of LC Healthcare Fund II, L.P. ("**LC Healthcare Fund II**"). LC Healthcare Fund II is controlled by its general partner, LC Healthcare Fund II GP Limited, a company owned as to 100% by LC Fund GP Limited ("**LC Fund GP**"). Except for Great Unity Fund I, L.P. who holds approximately 54.22% partnership interest in LC Healthcare Fund II, none of the other limited partners of LC Healthcare Fund II holds 30% or more of its partnership interest. LC Fund GP is also indirectly wholly owned by Legend Capital.

As such, by virtue of the SFO, each of Chen Hao, Beijing Junqi Jiarui, Beijing Juncheng Hezhong and Legend Capital was deemed to be interested in the Shares held by both Legend Xinkang and Healthy Growth.

(11) Jiaxing Danqing Investment Partnership Enterprise (Limited Partnership) (嘉興丹青投資合夥企業(有限合夥)) ("**Jiaxing Danqing**") was a limited partnership established in the PRC whose general partner was Tibet Danqing Investment Management Partnership Enterprise (Limited Partnership) (西藏丹青投資管理合夥企業(有限合夥)) ("**Tibet Danqing**") which was in turn managed and ultimately controlled by Hainan Shiyu Private Equity Management Co., Ltd. (海南拾玉私募基金管理有限公司) ("**Shiyu Capital**"), a company directly and indirectly owned as to approximately 72.72% by Yang Hongbing (楊紅冰). Except for Mr. Ma Jianan (馬嘉楠), an Independent Third Party and an individual investor who holds approximately 36.36% of the partnership interest in Jiaxing Danqing, none of the limited partners of Jiaxing Danqing or Tibet Danqing holds 30% or more of their partnership interest.

As such, by virtue of the SFO, each of Tibet Danqing, Shiyu Capital, Yang Hongbing and Ma Jianan was deemed to be interested in the Shares held by Jiaxing Danqing.

Save as disclosed above and the section headed "Appendix IV — Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders — Interests of the substantial shareholders in the Shares", our Directors are not aware of any person who will, immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group.

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

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB23,203,346, comprising 23,203,346 Unlisted Shares of nominal value RMB1.00 each.

Immediately prior to the [**REDACTED**], the Shares will be [**REDACTED**] on a [**REDACTED**] basis, and upon completion of the [**REDACTED**], the registered share capital of our Company will be RMB[**REDACTED**], comprising [**REDACTED**] Shares in issue of nominal value RMB[**REDACTED**] each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**] and the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised, the issued 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 Share to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

Immediately following completion of the [**REDACTED**] and the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, assuming the [**REDACTED**] is fully exercised and the [**REDACTED**] is not exercised, the issued 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 Share to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

Immediately following completion of the [**REDACTED**] and the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, assuming the [**REDACTED**] is fully exercised and the [**REDACTED**] is not exercised, the issued 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 Share to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

RANKING

Upon completion of the [**REDACTED**], the Shares will consist of H Shares and Unlisted Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, listing and trading of such converted Shares have been completed. Additionally, such conversion, trading and listing 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. Save as disclosed in this Document and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the [**REDACTED**] and delivery of Shares for entry on the H Share register. As the [**REDACTED**] of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior [**REDACTED**] for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas stock exchange. Any [**REDACTED**] for [**REDACTED**] of the converted shares on the Stock Exchange after our [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the [**REDACTED**] register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time.

Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be [**REDACTED**] as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization".

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 [**REDACTED**].

Shares 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 our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

SHAREHOLDERS' GENERAL MEETING

See "Appendix III — Summary of Articles of Association" for details of circumstances under which our general Shareholders' meeting is required.

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States. You should read the entire Accountants' 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. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purposes of this section, unless the context otherwise requires, references to the years of 2024 and 2025 refer to the financial years ended December 31 of such years.

OVERVIEW

We are a biopharmaceutical company in the commercialization stage, dedicated to addressing the medical needs in the field of weight management. We have developed our Core Product injectable ecnoglutide (XW003), being the world's first approved cAMP-biased glucagon-like peptide-1 (GLP-1) receptor agonist, for T2DM and overweight/obesity treatments in Chinese Mainland. Guided by our mission of "Reshaping Life with Science", we strive to transform the advanced proprietary technologies into safe, effective, and comprehensive solutions that enable us to deliver durable and high-quality weight loss, manage various comorbidities, and extend beyond obesity to address cardiometabolic risks and potentially provide organ protection.

We currently received the approvals for injectable ecnoglutide (XW003) for T2DM and overweight/obesity treatments in Chinese Mainland but have not generated any revenue from product sales. We had not been profitable and incurred operating losses and net losses during the Track Record Period. Our loss for the year mainly resulted from research and development expenses, as well as administrative expenses.

Subsequent to the [**REDACTED**], we expect to incur costs associated with operating as a [**REDACTED**]. We expect that our financial performance will fluctuate from period to period due to the development status of our drug candidates, timeline and terms of potential collaboration with our partners, regulatory approval timeline and commercialization of our drug candidates.

BASIS OF PREPARATION

The Historical Financial Information have been prepared in accordance with IFRS Accounting Standards, which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations as issued by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period and in the periods covered by the Interim Financial Information.

Notwithstanding that the Group recorded net liabilities of RMB2,213.2 million as of December 31, 2025 and incurred recurring losses from operations, the Historical Financial Information and Interim Financial Information have been prepared on a going concern basis. The net liabilities were primarily due to redemption liabilities on ordinary shares of RMB3,014.0 million arising from historical external financings, which will be ceased at the date of the completion of the [**REDACTED**] on Stock Exchange. The directors of the Company are of the opinion that the Company is not obligated to settle the redemption liabilities in next twelve months from December 31, 2025 and will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from December 31, 2025 based on the review of the Group's projected cash flows.

The Historical Financial Information and Interim Financial Information have been prepared under the historical cost convention except for certain financial assets at fair value through profit or loss, which are carried at fair value.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including the following:

General Factors

Our business and operating results are affected by general factors affecting the drug market in which we operate, including but not limited to: (i) global and China's macroeconomic conditions; (ii) growth and competition environment of the global and Chinese Mainland's weight management market; (iii) market acceptance of drugs for weight management; (iv) relevant laws and regulations, governmental policies and initiatives affecting the global and China's biopharmaceutical and innovative drug industry; (v) political, economic and social conditions of Chinese Mainland and other markets where we are conducting or plan to conduct clinical trials and/or commercialization activities; and (vi) and technology advancements in weight management related drug development.

Specific Factors

Development and Commercialization of Drug Candidates

Our business and results of operations depend on the development and successful commercialization of our differentiated drug candidates, including our Core Product injectable ecnoglutide (XW003). As of the Latest Practicable Date, we had cultivated a diverse pipeline of eight product candidates, seven of which target prevalent obesity and related diseases, including overweight/obesity, T2DM, moderate-to-severe obesity, adolescent obesity, MASH, and OSA. We expect to continue to achieve and deliver major development milestones for our drug candidates beyond injectable ecnoglutide (XW003). Our business and

results of operations depend on our drug candidates demonstrating good safety and efficacy results, and our ability to obtain the requisite regulatory approvals for our drug candidates. Our injectable ecnoglutide (XW003) received the approvals for T2DM and overweight/obesity treatments in Chinese Mainland in January 2026 and March 2026, respectively, but we have not generated any revenue from product sales. Our other drug candidates are expected to be approved over the upcoming years as they move towards the final stages of development.

Our Ability to Compete Effectively in the Industry and to Capture the Market Opportunities

There are significant clinical needs in treatment and prevention of prevalent obesity and related diseases, creating substantial market opportunities for our drug candidates. According to Frost & Sullivan, the size of the obesity drug market in China is projected to reach RMB156.9 billion by 2029 at a CAGR of 30.6% from 2024, primarily driven by the rising obesity prevalence across all age groups and the emergence of innovative therapies such as GLP-1 receptor agonists.

We have been focused on developing new therapies for obesity and related diseases. We face intense competition from existing products and product candidates under development for the treatments of the same indications for which we are developing injectable ecnoglutide (XW003), as well as our other drug candidates. Whether injectable ecnoglutide (XW003) and our other drug candidates, once approved for commercial sales, can compete effectively with other marketed drugs will materially impact our revenue and results of operations in the future.

Our Research and Development Expenses

Our results of operations are significantly affected by our cost structure, which primarily consists of research and development expenses. We believe our ability to successfully develop drug candidates is the primary factor affecting our long-term competitiveness, as well as our future growth and development. Developing quality drug candidates requires significant investments of financial resources over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. As a result of this commitment, we have invested a significant amount of financial resources in research and development to advance and expand our pipeline of clinical- and preclinical-stage drug candidates. The research and development expenses we incurred in 2024 and 2025 amounted to RMB284.0 million and RMB158.8 million, respectively. See "— Description of Selected Items of Our Consolidated Statements of Profit or Loss — Research and Development Expenses" for detailed information.

We expect our research and development expenses to continue to be a major component in our cost structure. As we expand the indications of our Core Product injectable ecnoglutide (XW003), advance more candidates along clinical trials and conduct additional preclinical studies, we expect to incur additional costs in relation to, among other things, preclinical study and clinical trial expenses, CMC expenses, raw materials procurements, manufacturing and sales and marketing.

Our Collaboration Arrangements

During the Track Record Period, we established collaboration with biopharmaceutical companies, including HK inno.N Corporation, Verdiva Bio Dev Limited, and Sino Biopharm, to advance the research, development, and commercialization of our key drug candidates in designated territories. This collaborative business model allows us to leverage our partners' strong R&D capabilities and extensive sales networks, providing a cost-effective and efficient strategy to accelerate the market penetration of our products worldwide. See "Business — Our Collaboration and Licensing Arrangements" for more details.

These agreements have already begun to contribute to our revenue during the Track Record Period, primarily through the receipt of non-refundable upfront payments. In 2025, we recorded revenue from our license-out arrangements of RMB133.5 million. As our product pipeline advances, we anticipate that these collaborations will become an increasingly significant source of revenue. Our agreements entitle us to receive development and sales milestone payments contingent upon the achievement of specific clinical, regulatory and commercial events. We expect that as our partners successfully launch our products, this revenue stream will grow and make a substantial and important contribution to our future revenue and financial performance.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing and cash generated through license-out arrangements. Going forward, in the event of the successful commercialization of one or more of our drug candidates, we expect to fund our operations with revenue generated from sales of our commercialized drug products, financing, public or private offerings. We may also require further funding through collaboration and licensing arrangements and other sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles that conform with IFRS Accounting Standards. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate these estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. We base these estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our material accounting policies and estimates, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Notes 2 and 3 to the Accountants' Report in Appendix I to this Document.

DESCRIPTION OF SELECTED ITEMS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth selected items of our consolidated statements of profit or loss and other comprehensive income, with line items in absolute amounts, for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Revenue	–	133,488
Cost of sales	–	(17,814)
Gross profit	–	115,674
Other income and gains	34,353	33,370
Selling and distribution expenses	(11,998)	(10,521)
Administrative expenses	(33,065)	(46,816)
Research and development expenses	(283,962)	(158,837)
Other expenses	(133)	(18,945)
Finance costs	(191,195)	(234,051)
Loss before tax	**(486,000)**	**(320,126)**
Income tax expense	–	–
Loss for the year attributable to ordinary equity holders of the parent	**(486,000)**	**(320,126)**
Exchange differences on translation of financial statements of subsidiaries	(1,477)	390
Other comprehensive (loss)/income for the year, net of tax	**(1,477)**	**390**
Total comprehensive loss for the year attributable to ordinary equity holders of the parent	**(487,477)**	**(319,736)**

Revenue

During the Track Record Period, we started to generate revenue in 2025, which was derived from licensing and collaboration arrangements, including income in relation to (i) the fulfillment of our performance obligations under the license-out agreements which was in relation to certain of our drug candidates' intellectual property rights; (ii) our provision of research and development services which are the technical support we provided to facilitate our collaborators' clinical studies; and (iii) our clinical supply for licensed compounds and samples to collaboration partners.

The following table sets forth a breakdown of our revenue by service type for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
License-out	–	106,501
Research and development service	–	5,899
Clinical Supply	–	21,088
Total	**–**	**133,488**

Cost of Sales

Our cost of sales primarily consists of (i) clinical supply expenses, which was primarily related to clinical supplies we provided to our collaboration partners; and (ii) staff cost. The following table sets forth a breakdown of our cost of sales by nature for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Clinical supply expenses	–	14,948
Staff cost	–	2,866
Total	**–**	**17,814**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to nil and RMB115.7 million in 2024 and 2025, respectively, and our gross profit margin recorded 86.7% in 2025.

Other Income and Gains

Our other income primarily consists of (i) government grants, which represents grants received from the governments as incentives for our research and development activities, compensating expenditure arising from our various preclinical and clinical research activities; (ii) bank interest income, which represents interest income from our deposits in banks; and (iii) investment income which represents income from the wealth management products that we purchased.

Our other gains primarily consist of (i) fair value gains on financial products at FVTPL which represents gains related to our structured deposits and (ii) net foreign exchange gains as a result of the fluctuations in the exchange rates among the U.S. dollars, Australian dollars and the RMB.

The following table sets forth a breakdown of our other net income and gains for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Other income		
Government grants	16,401	5,090
Bank interest income	10,172	16,560
Investment income	5,003	11,719
Others	56	–
Total other income	**31,632**	**33,369**
Gains		
Fair value gains	2,206	–
Foreign exchange gains, net	512	–
Others	3	1
Total gains	**2,721**	**1**
Total	**34,353**	**33,370**

Selling and Distribution Expenses

Our selling and marketing expenses primarily comprise (i) staff costs, (ii) share-based compensation expenses, (iii) professional service expenses and (iv) office, travelling and others.

The following table sets forth the breakdown of our selling and marketing expenses for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Staff costs	6,693	7,328
Share-based compensation expenses	–	492
Professional service expenses	5,004	1,610
Office, travelling and others	301	1,091
Total	**11,998**	**10,521**

Administrative Expenses

Our administrative expenses primarily comprise (i) staff costs, (ii) share-based compensation expenses, (iii) professional service expenses, (iv) depreciation and amortization expenses and (v) office, travelling and others.

The following table sets forth the breakdown of our administrative expenses for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Staff costs	17,038	17,099
Share-based compensation expenses	1,886	(3,979)
Professional service expenses	6,028	25,536
Depreciation and amortization expenses	4,238	4,108
Office, travelling and others	3,875	4,052
Total	**33,065**	**46,816**

Research and Development Expenses

Our research and development expenses primarily comprise (i) expenses related to pre-clinical and clinical studies, (ii) staff costs, (iii) share-based compensation expenses, (iv) depreciation and amortization expenses, (v) material expenses and (vi) others.

The table below sets forth a breakdown of our research and development expenses for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Expenses related to pre-clinical and clinical studies	179,252	70,534
Staff costs	75,070	55,077
Share-based compensation expenses	4,632	3,738
Depreciation and amortization expenses	7,990	8,343
Material expenses	8,332	14,329
Others	8,686	6,816
Total	**283,962**	**158,837**

In 2024 and 2025, our research and development expenses attributable to our Core Product were RMB139.5 million and RMB90.7 million, representing 49.1% and 57.1% of total research and development expenses, respectively. All our research and development expenses for the Core Product during the Track Record Period were used for its clinical studies and regulatory filings.

Other Expenses

Our other expenses primarily consist of: (i) fair value losses on financial assets at FVTPL, net, which represents the non-monetary considerations in relation to the license-out arrangement we entered; (ii) loss on disposal of items of property, plant and equipment; and (iii) foreign exchange loss, net, primarily represents the impact of exchange rate fluctuation.

The following table sets forth a breakdown of our other expenses for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Fair value losses on financial assets at FVTPL, net	–	12,217
Loss on disposal of items of property, plant and equipment	96	–
Foreign exchange loss, net	–	6,695
Others	37	33
Total	**133**	**18,945**

Finance Costs

Our finance costs primarily consist of (i) interest expense on redemption liabilities in relation to the interest accrued on the obligation to repurchase certain of our Shares held by pre-[**REDACTED**] investors; (ii) interest expense on lease liabilities; and (iii) interest expense on bank borrowings.

The following table sets forth a breakdown of our finance costs for the years indicated.

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Interest expense on redemption liabilities	190,039	233,178
Interest expense on lease liabilities	1,135	873
Interest expense on bank borrowings	21	–
Total	**191,195**	**234,051**

Income Tax Expenses

During the Track Record Period, we recorded no income tax expense. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate. See Note 11 to the Accountants' Report in Appendix I to this Document.

Loss for the Year

As a result of foregoing, we recorded RMB486.0 million and RMB320.1 million in loss in 2024 and 2025, respectively.

YEAR-ON-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Other Income and Gains

Our other income and gains remained relatively stable at RMB34.4 million in 2024 and RMB33.4 million in 2025.

Selling and Distribution Expenses

Our selling and distribution expenses decreased from RMB12.0 million in 2024 to RMB10.5 million in 2025, primarily due to the one-off professional service expenses in U.S. in relation to our collaboration with licensees incurred in 2024.

Administrative Expenses

Our administrative expenses increased by 41.6% from RMB33.1 million in 2024 to RMB46.8 million in 2025, primarily due to the increase in professional service expenses incurred from expenses in relation to our proposed [**REDACTED**], partially offset by the reversal of share-based compensation expenses as a result of the departure of certain employees.

Research and Development Expenses

Our R&D expenses decreased by 44.1% from RMB284.0 million in 2024 to RMB158.8 million in 2025, primarily due to the temporary decrease in the number of pre-clinical and clinical studies upon the successful completion of our Core Product's Phase III clinical trials in July 2024.

Other Expenses

Our other expenses significantly increased from RMB133 thousand in 2024 to RMB18.9 million in 2025, primarily because we incurred fair value losses on financial assets at FVTPL due to change in fair value of financial assets and net foreign exchange loss due to exchange rate fluctuation.

Finance Costs

Our finance costs slightly increased from RMB191.2 million in 2024 to RMB234.1 million in 2025, primarily due to the increase in interest expense on redemption liabilities, which was in relation to the increase in interest on redemption liability, which was in relation to the Series D financing in 2024.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 34.1% from RMB486.0 million in 2024 to RMB320.1 million in 2025.

DISCUSSION OF SELECTED ITEMS OF OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Total non-current assets	203,797	183,692
Total current assets	1,253,628	1,093,191
Total assets	**1,457,425**	**1,276,883**
Total non-current liabilities	3,214,588	3,420,028
Total current liabilities	136,523	70,026
Total liabilities	**3,351,111**	**3,490,054**
Net liabilities	**(1,893,686)**	**(2,213,171)**
Net current assets	1,117,105	1,023,165

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of January 31,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Current assets:			
Inventories	9,983	28,229	31,517
Trade receivables	–	4,113	4,113
Prepayments, other receivables and other assets	31,411	35,741	40,610
Financial assets at fair value through profit or loss ("**FVTPL**")	562,206	100,147	30,036
Time deposits	10,256	85,890	–
Cash and cash equivalents	639,772	839,071	974,161
Total current assets	**1,253,628**	**1,093,191**	**1,080,437**
Current liabilities:			
Trade and bills payables	36,039	26,656	20,530
Other payables and accruals	22,917	39,210	40,477
Lease liabilities	3,923	4,070	4,093
Contract liabilities	73,644	90	11
Total current liabilities	**136,523**	**70,026**	**65,111**
Net current assets	**1,117,105**	**1,023,165**	**1,015,326**

Our net current asset decreased from RMB1,023.2 million as of December 31, 2025 to RMB1,015.3 million as of January 31, 2026, primarily due to (i) an RMB85.9 million decrease in time deposits; and (ii) an RMB70.1 million decrease in financial assets at FVTPL, partially offset by an RMB135.1 million increase in cash and cash equivalents.

Our net current asset decreased from RMB1,117.1 million as of December 31, 2024 to RMB1,023.2 million as of December 31, 2025, primarily due to (i) an RMB462.1 million decrease in financial assets at FVTPL; and (ii) an RMB16.3 million increase in other payables and accruals. These factors were partially offset by (i) an RMB199.3 million increase in cash and cash equivalents; and (ii) an RMB75.6 million increase in time deposits

Property, Plant and Equipment

Our property, plant and equipment primarily consists of (i) machinery and equipment primarily purchased for process performance qualification and later commercial production, (ii) office equipment, and (iii) leasehold improvements for our offices during the Track Record Period.

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Property, plant and equipment		
Machinery and equipment	42,146	37,657
Office equipment	720	492
Leasehold improvements	9,116	6,685
Motor vehicles	–	537
Total	**51,982**	**45,371**

Our property, plant and equipment decreased from RMB52.0 million as of December 31, 2024 to RMB45.4 million as of December 31, 2025, primarily due to the depreciation of our property, plant and equipment.

Right-of-use Assets

Our right-of-use assets primarily consists of leases we entered into in relation to our daily business operations during the Track Record Period. Our right-of-use assets decreased from RMB12.6 million as of December 31, 2024 to RMB9.1 million as of December 31, 2025, primarily due to the depreciation of the relevant leased properties during the Track Record Period.

Intangible Assets

Our intangible assets increased from RMB0.4 million as of December 31, 2024 to RMB0.7 million as of December 31, 2025, primarily due to the purchase of GMP quality management software in preparation for the future product commercialization.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily consist of (i) wealth management products we purchased in China and (ii) the non-monetary consideration in relation to the license-out arrangement we entered.

The following table sets forth the breakdown of our financial assets at FVTPL as of the dates indicated.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Financial assets at FVTPL		
Current:		
Wealth management products	562,206	100,147
Non-current:		
Other unlisted investment	136,939	124,575
Total	**699,145**	**224,722**

As of December 31, 2024, the maturity date of wealth management products we purchased is within one year from each reporting date. As of December 31, 2025, the maturity date of wealth management products we purchased is within one month from reporting date.

Our financial assets as FVTPL decreased from RMB699.1 million as of December 31, 2024 to RMB224.7 million as of December 31, 2025, primarily due to the mature of wealth management products.

We recorded our other unlisted investment of RMB136.9 million as of December 31, 2024, which decreased to RMB124.6 million as of December 31, 2025, primarily due to the fair value change in our equity interest.

With regards to the purchase of wealth management products, we have formulated the investment policy of diversifying risks and generating steady returns on the premise of ensuring the safety of funds. Our financial director and the finance department are mainly responsible for making, implementing and supervising our investment decisions. We have implemented detailed treasury policies and internal authorization controls:

- investment decisions are subject to review by our finance department and approval pursuant to our internal authority matrix, with investment above designated risk thresholds requiring the approval of the chairman;
- assessment of investment products is made on a case-by-case basis, taking into account product type, risk profile, maturity and expected returns;
- our finance department maintains detailed ledgers and conducts regular monitoring of the performance and fair value of the investments; and
- all investments are made in compliance with applicable laws and regulations, with an emphasis on capital preservation and risk control.

Specifically, prior to making an investment, we ensure that there remains sufficient working capital for our business needs, operating activities, research and development and capital expenditures even after purchasing such wealth management products. We adopt a prudent approach in investing wealth management products. Our investment decisions are

made on a case-by-case basis and after due and careful consideration of a number of factors, such as market condition, investment return rates, investment risks, investment liquidity, investment holding periods, tax incentive conditions, expected investment costs, and financing capability. our Board is responsible for the approval of our material investments in wealth management products through a strict review and decision-making process. Our finance department is responsible for implementation and management of our wealth management products. To control our risk exposure, we have in the past sought, and may continue in the future to seek, other low-risk wealth management products issued by a commercial bank or other financial institution that is regulated by its respective reputable regulatory authority. Our investments in wealth management products after the [**REDACTED**] will be subject to compliance with Chapter 14 of the Listing Rules.

Other Non-current Asset

Other non-current assets primarily consist of (i) prepayment for property, plant and equipment in relation to the addition of research and development equipment; and (ii) rental deposits primarily used for lease payments and their deposits.

The following table sets forth a summary of other non-current asset as of the dates indicated.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Prepayment for property, plant and equipment	117	2,245
Rental deposits	1,765	1,765
Total	**1,882**	**4,010**

Our other non-current assets significantly increased from RMB1.9 million as of December 31, 2024 to RMB4.0 million as of December 31, 2025, primarily due to the increase in our prepayment for property, plant and equipment in 2025.

Inventories

Our inventories primarily consist of (i) raw materials we stored for further manufacturing and commercialization; (ii) contract cost primarily representing clinical sample costs for collaboration partners; and (iii) work in progress.

The following table sets forth a summary of the balances of our inventories as of the dates indicated.

	As of December 31,	
	2024	2025
	RMB'000	*RMB'000*
Raw materials	1,383	12,867
Contract costs	8,600	8,673
Work in progress	–	6,689
Total	**9,983**	**28,229**

Our inventories increased from RMB10.0 million as of December 31, 2024 to RMB28.2 million as of December 31, 2025, primarily due to (i) an increase in raw materials purchased for future manufacturing; and (ii) our stock of work in progress inventories in preparation for commercialization of our drug candidates.

As of January 31, 2026, RMB39 thousand, or 0.1% of our inventories as of December 31, 2025 had been subsequently utilized.

Trade Receivables

Our trade receivables represent amounts due from a collaboration partner in consideration of the licensed samples we supplied to it according to the relevant licensing and collaboration agreement. The following table sets forth our trade receivables as of the dates indicated.

	As of December 31,	
	2024	2025
	RMB'000	*RMB'000*
Trade receivables	–	4,113
Impairment	–	–
Total	**–**	**4,113**

The ageing analysis of our trade receivables as of the dates indicated is as follows:

	As of December 31,	
	2024	2025
	RMB'000	*RMB'000*
Within one year	–	4,113
Total	**–**	**4,113**

As of January 31, 2026, none of our trade receivables as of December 31, 2025 had been subsequently collected.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) prepayments for research and development services including clinical trials we conducted in relation to our drug candidates; (ii) other prepayments primarily used for our daily business operations; (iii) value-added taxes recoverable; (iv) prepaid [**REDACTED**]; and (v) deposits and other receivables.

The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Prepayments for research and development services	12,251	19,165
Other prepayments	753	702
Value-added taxes recoverable	17,802	11,075
Prepaid [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Deposits and other receivables	605	238
Total	**31,411**	**35,741**

Our prepayments, other receivables and other assets increased from RMB31.4 million as of December 31, 2024 to RMB35.7 million as of December 31, 2025, primarily due to (i) the increase in prepayments for research and development services due to our new clinical studies in 2025; and (ii) the increase in prepaid [**REDACTED**].

As of January 31, 2026, RMB2.4 million, or 6.6%, of our prepayments, other receivables and other assets as of December 31, 2025 had been subsequently collected.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of (i) cash and bank balances denominated in RMB, USD and AUD; and (ii) time deposits with initial maturity within three months. The following table sets forth the breakdown of our bank balances and cash as of the dates indicated:

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Cash and bank balances	350,579	809,304
Time deposits with initial maturity within three months	289,193	29,767
Total	**639,772**	**839,071**

Our cash and cash equivalents increased from RMB639.8 million as of December 31, 2024 to RMB839.1 million as of December 31, 2025, primarily due to the mature of wealth management products.

Trade and Bills Payables

Our trade and bills payables primarily represent payments due to outsourced service providers. Our trade and bills payables decreased from RMB36.0 million as of December 31, 2024 to RMB26.7 million as of December 31, 2025, primarily due to the decrease in trade payables arising from clinical supplies, which was in line our decreased number of clinical studies.

The following table sets forth an aging analysis of our trade and bills payables based on the invoice date as of the dates indicated:

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Within one year	36,039	26,656
Total	**36,039**	**26,656**

As of January 31, 2026, RMB9.1 million, or 34.2%, of our trade and bills payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) payroll payables primarily in relation to employees' salaries and bonus; (ii) government grant payables; (iii) payables for service suppliers; (iv) other taxes payable; (v) accrued royalties; (vi) accruals and payables for [**REDACTED**]; and (vii) others.

The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Payroll payables	11,407	12,435
Government grant payables	8,699	10,699
Payables for service suppliers	902	1,738
Other taxes payable	542	626
Accrued royalties	–	7,408
Accruals and payables for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others	1,367	1,537
Total	**22,917**	**39,210**

Our other payables and accruals increased from RMB22.9 million as of December 31, 2024 to RMB39.2 million as of December 31, 2025, primarily due to the increase in accrued royalties in relation to our technology transfer under the licensing arrangements.

As of January 31, 2026, RMB2.5 million, or 6.5%, of our other payables and accruals as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities decreased from RMB498.2 million as of December 31, 2024 to RMB400.7 million as of December 31, 2025, primarily due to the fulfilling of contract obligations related to technology transfer under the licensing arrangements.

	As of December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Current	73,644	90
Non-current	424,541	400,595
Total	**498,185**	**400,685**

As of January 31, 2026, RMB79 thousand of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Redemption Liabilities on Ordinary Shares

Our redemption liabilities on ordinary shares represent the redemption liabilities we bore in relation to the ordinary shares we issued during the various rounds of pre-[**REDACTED**] investments. See "History, Development and Corporate Structure — Special Rights of the Pre-[**REDACTED**] Investors" for more details. Our redemption liabilities on ordinary shares increased from RMB2,780.8 million as of December 31, 2024 to RMB3,014.0 million as of December 31, 2025, primarily due to the completion of our Series D Investments and accumulation of corresponding interest liabilities with each passing year.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we had financed our operations primarily through capital contributions from generated operating activities and financing activities and we do not anticipate any material changes to the availability of financing to fund our operations in the future. 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 for different indications and commencing commercialization, as well as expanding our drug candidate portfolio.

For these purposes, we expect capital contribution from shareholders, cash from licensing arrangements, debt financing including banks loans and the expected [**REDACTED**] from the [**REDACTED**] to constitute the main source of funding. During the Track Record Period, we incurred positive operating cashflow of RMB99.3 million in 2024, and negative operating cashflow of RMB185.6 million in 2025. As of December 31, 2025, we had RMB839.1 million of cash and cash equivalents. Our management closely monitors uses of bank balances and cash and strives to maintain a healthy liquidity for our operations.

Cash Flow Analysis

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

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Net cash flows generated from/(used in) operating activities	99,319	(185,605)
Net cash flows (used in)/generated from investing activities	(470,952)	399,906
Net cash flows generated from/(used in) financing activities	453,643	(8,248)
Net increase in cash and cash equivalents	82,010	206,053
Cash and cash equivalents at the beginning of the year	555,788	639,772
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,974	(6,754)
Cash and cash equivalents at the end of the year	**639,772**	**839,071**

Net Cash Flows (Used in) /generated from Operating Activities

Net cash used in operating activities in 2025 was RMB185.6 million, which primarily consists of loss before income tax of RMB320.1 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include finance costs of RMB234.1 million, interest income of RMB16.6 million, net fair value changes of financial assets at FVTPL of RMB12.2 million and investment income from financial assets at FVTPL of RMB11.7 million. The amount was further adjusted by changes in working capital, primarily including a decrease in contract liabilities of RMB97.5 million and an increase in inventories of RMB18.2 million, partially offset by an increase in other payables and accruals of RMB16.0 million and interest received of RMB9.8 million.

Net cash generated from operating activities in 2024 was RMB99.3 million, which primarily consists of loss before income tax of RMB486.0 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include finance costs of RMB191.2 million, depreciation of property, plant and equipment of RMB8.6 million, and share-based payments of RMB6.5 million. The amount was further adjusted by changes in working capital, primarily including an increase in contract liabilities of RMB358.3 million, a decrease in prepayments and other receivables and other assets of RMB30.6 million, and interest received of RMB9.9 million, partially offset by an increase in inventories of RMB9.3 million.

As our business develops, we plan to improve our net operating cash flow position in view of potential net operating cash inflows which we expect to generate after successful commercialization of our Core Product, including launching and promoting the sales of our Core Product with approvals received from the NMPA, and improving our cost control and operating efficiencies.

Net Cash Flows Generated from / (Used in) Investing Activities

Net cash flows generated from investing activities in 2025 were RMB399.9 million, which primarily consist of proceeds from withdrawal of financial assets at FVTPL of RMB6,346.0 million, investment income of RMB19.4 million and proceeds from withdrawal of time deposits with original maturity over three months of RMB224.1 million, partially offset by purchases of financial assets at FVTPL of RMB5,886.0 million and placements of time deposits with original maturity over three months of RMB298.4 million.

Net cash flows used in investing activities in 2024 were RMB471.0 million, which primarily consist of purchases of financial assets at FVTPL of RMB1,980.0 million, purchases of time deposits with original maturity over three months of RMB10.0 million and purchases of items of property, plant and equipment of RMB6.0 million, partially offset by proceeds from withdrawal of financial assets at FVTPL of RMB1,520.0 million and investment income of RMB5.0 million.

Net Cash Flows (Used in) / Generated from Financing Activities

Net cash flows used in financing activities in 2025 were RMB8.2 million, which primarily consist of principal portion of lease payments of RMB3.6 million and [**REDACTED**] paid of RMB[**REDACTED**].

Net cash flows generated from financing activities in 2024 were RMB453.6 million, which primarily consist of proceeds from issue of shares of RMB467.5 million, partially offset by repayment of interest-bearing bank borrowing of RMB9.9 million and principal portion of lease payments of RMB2.8 million.

Cash Operating Costs

The following table sets forth information on our cash operating costs for the periods indicated:

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Costs relating to research and development of our Core Product		
Expenses related to pre-clinical and clinical expenses	116,834	61,358
Staff costs	21,634	15,827
Material expenses	5,496	3,806
Others	3,674	1,885
Subtotal	147,638	82,876
Costs relating to research and development of other drug candidates		
Expenses related to pre-clinical and clinical expenses	67,536	16,684
Staff costs	40,801	33,427
Material expenses	1,430	2,257
Others	7,039	4,517
Subtotal	116,806	56,885
Other costs		
Staff costs	25,434	26,919
Professional service expenses	13,400	11,406
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Office, travelling and others	2,723	3,481
Total other costs	41,557	61,662
Total cash operating costs	306,001	201,423

WORKING CAPITAL SUFFICIENCY

Our Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, cash flows generated from operating activities and financing activities, and net [**REDACTED**] from the [**REDACTED**], we have sufficient working capital our present requirements and to cover at least 125% of our costs, including research and development expenses for at least 12 months from the date of this Document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] in the [**REDACTED**], based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]. Assuming an average cash burn rate going forward of [**REDACTED**] time the level in 2025, we estimate that our financial resources as of January 31, 2026, together with the upfront payment we expect to receive, will be able to maintain our financial viability for [**REDACTED**] from January 31, 2026 taking into account the estimated net [**REDACTED**] from the [**REDACTED**], and for [**REDACTED**] without taking into account the estimated net [**REDACTED**] from the [**REDACTED**]. We will continue to monitor our cash flows from operations closely and expect to raise additional financing, if needed, with a minimum buffer of 12 months.

INDEBTEDNESS

During the Track Record Period, our indebtedness included lease liabilities and redemption liabilities on ordinary shares.

The following table sets forth our indebtedness as of the dates indicated.

	As of December 31,		As of January 31,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Current			
Lease liabilities	3,923	4,070	4,093
Non-current			
Redemption liabilities on ordinary shares	2,780,799	3,013,977	3,031,698
Lease liabilities	9,248	5,456	5,337
Total	**2,793,970**	**3,023,503**	**3,041,128**

As of January 31, 2026, we had unutilized banking facilities of RMB150.0 million, all of which are committed.

Lease Liabilities

The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31,		As of January 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Current	3,923	4,070	4,093
Non-current	9,248	5,456	5,337
Total	**13,171**	**9,526**	**9,430**

We recorded total lease liabilities of RMB13.2 million, RMB9.5 million and RMB9.4 million as of December 31, 2024 and 2025 and January 31, 2026, respectively. Our lease liabilities decreased from RMB13.2 million as of December 31, 2024 to RMB9.5 million as of December 31, 2025, primarily due to our repayment of lease principles, leading to a decrease of corresponding interests.

KEY FINANCIAL RATIOS

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

	As of December 31,	
	2024	2025
	RMB'000	*RMB'000*
Current ratio*	9.2	15.6

Note:

* Current ratio is calculated based on total current assets divided by total current liabilities as of the dates indicated.

Our current ratio increased from 9.2 as of December 31, 2024 to 15.6 as of December 31, 2025, mainly attributable to a decrease in our current liabilities, primarily due to the fulfillment of relevant obligation under the licensing arrangements. See "— Discussion of Selected Items of Our Consolidated Statements of Financial Position."

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures included purchases of property, plant and equipment and intangible assets. Historically, we funded our capital expenditures mainly through capital contributions by financing activities. The following table sets forth our capital expenditures for the years indicated:

	Year Ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Purchase of items of property, plant and equipment	5,950	4,584
Purchase of intangible assets	29	553
Total	**5,979**	**5,137**

We plan to continue capital expenditures to support our business growth and expansion strategy. We intend to fund our capital expenditures with available financial resources, including cash and cash equivalents, net [**REDACTED**] from the [**REDACTED**], and potential future equity or debt financing. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, our results of operations and financial condition, our business plans, market conditions and various other factors. See "Future Plans and Use of [**REDACTED**] — Use of [**REDACTED**]."

CAPITAL COMMITMENTS

As of December 31, 2024 and 2025, we had capital commitment of RMB0.3 million and RMB0.7 million, respectively. Such capital commitments reflected capital expenditure we contracted but not yet incurred on property, plant and equipment in the historical financial information.

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any of our subsidiaries. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

RELATED PARTY TRANSACTIONS

Save for the compensation of key management personnel classified as related party transactions, we had no other related party transaction during the Track Record Period. See Note 32 to the Accountants' Report set out in the Appendix I to this document for details on compensation paid or payable to our key management personnel during the Track Record Period.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

MARKET RISKS DISCLOSURE

We are exposed to various types of risks, including foreign currency risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 35 to the Accountants' Report set out in Appendix I to this Document for more details.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy cash flow in order to support its business and maximize shareholders' value.

We manage our capital structure and make 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, we may issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

DIVIDENDS

As of the Latest Practicable Date, we did not adopt any formal dividend policy or pre-determined dividend ratio. We have never declared or paid any dividends on our ordinary shares or any other securities. 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 intend to declare or pay any dividends in the foreseeable future. [**REDACTED**] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Shareholders' meeting subject to our Articles of Association and the PRC Company Law, and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

According to Company Law of the People's Republic of China (Revised in 2023), where the accumulative amount of a company's statutory reserve is not sufficient to cover losses from the previous years, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according as legally required; after a company has made up its losses, the residual after-tax profits and accrued reserve shall be distributed by such company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in such company's articles of association.

As confirmed by our PRC Legal Adviser, based on our Articles of Association and the Company Law of the People's Republic of China (Revised in 2023), we can pay dividend despite accumulated losses, except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year's profits shall first be used to make up for the losses.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had no retained earnings that were available for distribution to our equity shareholders.

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no H Shares are issued pursuant to the [**REDACTED**] and the [**REDACTED**]. The above [**REDACTED**] are comprised of (i) [**REDACTED**] of HK$[**REDACTED**], and (ii) [**REDACTED**] of HK$[**REDACTED**], including expenses from legal advisers and reporting accountants as well as other fees and expenses. During the Track Record Period, we incurred [**REDACTED**] of HK$[**REDACTED**], of which, HK$[**REDACTED**] were charged to our consolidated statements of profit or loss, and HK$[**REDACTED**] were attributable to the issue of Shares and will be deducted from equity. We expect to incur additional [**REDACTED**] of approximately HK$[**REDACTED**] after the Track Record Period, of which, approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] of which is attributable to the issue of Shares and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, being the end of the period reported on the Accountants' Report included in Appendix I; and there has been no event since December 31, 2025 and up to the date of this Document which would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

[**REDACTED**]

FUTURE PLANS

For details of our future plans, see "Business — Our Strategies."

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and other estimated expenses paid and payable by us in connection with the [**REDACTED**], and assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share.

We currently intend to use the net [**REDACTED**] from the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for further R&D and planned commercialization of our Core Product, injectable ecnoglutide (XW003), of which:

  (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to conduct ongoing and planned clinical trials of injectable ecnoglutide (XW003) in China, including:

    – approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for future investigation and clinical development of adolescent obesity indication. We have initiated a randomized, double-blind, placebo-controlled multi-dose study to evaluate safety, tolerability, PK and PD in Chinese adolescent obese patients (SCW0502-1111). The trial has started its patient enrollment in August 2025 and has enrolled 48 subjects and we expect to complete the Phase Ib study by the first half of 2026. We expect to initiate a Phase III study by the second half of 2026 and plan to enroll approximately 350 to 500 subjects and we expect to complete the Phase III study by the second half of 2028.

    – approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used future investigation and clinical development of moderate-to-severe obesity. We have initiated a multi-center, randomized, open-label, switch therapy study to evaluate efficacy and safety of XW003 versus semaglutide injection (the SLIMMER UP-SWITCH). The trial has started its patient enrollment in July 2025 and plan to enroll approximately 150 to 200 subjects and we expect to complete the trial by early 2027. We expect to initiate an additional Phase II study and Phase III studies by the second half of 2026 and plan to enroll approximately 500 to 600 subjects and we expect to complete the Phase III study by 2029.

    – approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used future investigation and clinical development of MASH. We expect to initiate a Phase IIb study by early 2027 and plan to enroll approximately 100 to 200 subjects and we expect to complete the Phase IIb study by the first half of 2028. We expect to initiate a Phase III study by 2028 and plan to enroll approximately 300 to 400 subjects and we expect to complete the Phase III study by 2030.

– approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for future investigation and clinical development of OSA and other obesity related diseases. We initiated the Phase III study for OSA in February 2026 and plan to enroll approximately 300 to 500 subjects and we expect to complete the Phase III study by 2028. We plan to file IND for other obesity related commorbidities and initiate additional clinical trials in 2026.

See "Business — Our Core Product."

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for preparation of registration filings and other regulatory matters.

Specifically, this includes costs associated with obtaining relevant product registrations and regulatory approvals in Chinese Mainland, general corporate-level operational expenditures, as well as branding activities to enhance market reputation and raise brand awareness.

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for further R&D of our Key Products, XW004 and XW014, of which:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to conduct the planned clinical trial for XW004. We have submitted the IND application to the NMPA for XW004 for the treatment of obesity and commenced a Phase Ib/IIa clinical trial in Chinese Mainland in November 2025. We expect to initiate a Phase III clinical study of XW004 for the treatment of overweight/obesity in 2027.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to conduct the ongoing and planned clinical trials for XW014. We completed the Phase I clinical trial of XW014 for the treatment of obesity in the U.S. in the December 2025. We expect to initiate a Phase II clinical trial of XW014 to further explore the efficacy and safety in obese patients as well as the possibility for combination of other treatments in the first half of 2026.

See "Business — Our Key Products."

(c) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for advancing other pipeline assets, including XW015, XW016, XW019, and XW020. We expect to submit IND applications for XW015, XW016 and XW020 in 2026 and the IND application for XW019 in the first half of 2027. We will initiate the Phase I studies for these four assets afterwards;

See "Business — Preclinical-Stage Drug Candidates."

(d) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for enhancing the manufacturing capacity and quality control system to support the commercialization of our Core Product injectable ecnoglutide (XW003).

Specifically, we expect to establish outsourcing collaboration with CMOs, and invest in purchases of manufacturing equipment. We plan to upgrade the production lines by purchasing more manufacturing equipments to enhance our CMO partners' production lines.

(e) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and other general corporate purposes.

The above allocation of the net [**REDACTED**] from the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**] stated in this Document.

If the [**REDACTED**] and the [**REDACTED**] are exercised in full, the net [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the mid-point of the indicative [**REDACTED**]). In the event that the [**REDACTED**] and the [**REDACTED**] are exercised in full, we intent to apply the additional net [**REDACTED**] to the above purposes in the proportions stated above.

To the extent that our net [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, collaboration deals, bank loans and other borrowings.

To the extent that the net [**REDACTED**] from the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by relevant law and regulations, we will only deposit such funds in short-term deposits in licensed banks or authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

"[To insert the firm's letterhead]"

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HANGZHOU SCIWIND BIOSCIENCES CO., LTD., MORGAN STANLEY ASIA LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

INTRODUCTION

We report on the historical financial information of Hangzhou Sciwind Biosciences Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [●] to [●], 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 each of the years ended 31 December 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [●] to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (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.

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 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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-3 have been made.

Dividend

We refer to note 12 to the Historical Financial Information which states that no dividend has been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants

Hong Kong
[**REDACTED**]

I HISTORICAL FINANCIAL INFORMATION

Preparation of the 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 Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing 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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
	Notes	**2024**	**2025**
		RMB'000	*RMB'000*
Revenue	*5*	–	133,488
Cost of sales		–	(17,814)
Gross profit		–	115,674
Other income and gains	*5*	34,353	33,370
Selling and distribution expenses		(11,998)	(10,521)
Administrative expenses		(33,065)	(46,816)
Research and development expenses		(283,962)	(158,837)
Other expenses	*6*	(133)	(18,945)
Finance costs	*8*	(191,195)	(234,051)
Loss before tax		(486,000)	(320,126)
Income tax expense	*11*	–	–
Loss for the year attributable to ordinary equity holders of the parent		(486,000)	(320,126)
Other comprehensive (loss)/income for the year:			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of subsidiaries		(1,477)	390
Other comprehensive (loss)/income for the year, net of tax		(1,477)	390
Total comprehensive loss for the year attributable to ordinary equity holders of the parent		(487,477)	(319,736)
Loss per share attributable to ordinary equity holders of the parent			
Basic and diluted loss per share (in RMB)	*13*	(22.87)	(13.80)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2024	As at 31 December 2025
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*14*	51,982	45,371
Right-of-use assets	*15*	12,589	9,075
Intangible assets	*16*	405	661
Financial assets at fair value through profit or loss ("**FVTPL**")	*21*	136,939	124,575
Other non-current assets	*17*	1,882	4,010
Total non-current assets		203,797	183,692
CURRENT ASSETS			
Inventories	*18*	9,983	28,229
Trade receivables	*19*	–	4,113
Prepayments, other receivables and other assets	*20*	31,411	35,741
Financial assets at FVTPL	*21*	562,206	100,147
Time deposits	*22*	10,256	85,890
Cash and cash equivalents	*22*	639,772	839,071
Total current assets		1,253,628	1,093,191
CURRENT LIABILITIES			
Trade and bills payables	*23*	36,039	26,656
Other payables and accruals	*24*	22,917	39,210
Lease liabilities	*15*	3,923	4,070
Contract liabilities	*25*	73,644	90
Total current liabilities		136,523	70,026
NET CURRENT ASSETS		**1,117,105**	**1,023,165**
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,320,902**	**1,206,857**

	Notes	As at 31 December 2024	As at 31 December 2025
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Redemption liabilities on ordinary shares	*26*	2,780,799	3,013,977
Contract liabilities	*25*	424,541	400,595
Lease liabilities	*15*	9,248	5,456
Total non-current liabilities		3,214,588	3,420,028
Net liabilities		(1,893,686)	(2,213,171)
EQUITY			
Equity attributable to owners of the parent			
Share capital	*27*	23,204	23,204
Deficits	*29*	(1,916,890)	(2,236,375)
Total deficits		(1,893,686)	(2,213,171)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

		Attributable to owners of the parent						
	Notes	**Share capital**	**Share premium***	**Other reserves***	**Share-based payment reserves***	**Exchange fluctuation reserves***	**Accumulated losses***	**Total**
		RMB'000 (note 27)	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000*
At 1 January 2024		20,975	991,173	(1,716,475)	124,923	5,537	(838,860)	(1,412,727)
Loss for the year		–	–	–	–	–	(486,000)	(486,000)
Other comprehensive loss for the year:								
Exchange differences on translation of financial statements of subsidiaries		–	–	–	–	(1,477)	–	(1,477)
Total comprehensive loss for the year		–	–	–	–	(1,477)	(486,000)	(487,477)
Issue of shares	*27*	2,229	465,271	–	–	–	–	467,500
Share-based payments	*28*	–	–	–	6,518	–	–	6,518
Recognition of redemption liabilities on ordinary shares	*26*	–	–	(467,500)	–	–	–	(467,500)
At 31 December 2024		23,204	1,456,444	(2,183,975)	131,441	4,060	(1,324,860)	(1,893,686)

Year ended 31 December 2025

		Attributable to owners of the parent							
	Note	**Share capital**	**Share premium***	**Other reserves***	**Share-based payment reserves***	**Safety production reserve***	**Exchange fluctuation reserves***	**Accumulated losses***	**Total**
		RMB'000 (note 27)	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000 (note 29)*	*RMB'000*
At 1 January 2025		23,204	1,456,444	(2,183,975)	131,441	–	4,060	(1,324,860)	(1,893,686)
Loss for the year		–	–	–	–	–	–	(320,126)	(320,126)
Other comprehensive income for the year:									
Exchange differences on translation of financial statements of subsidiaries		–	–	–	–	–	390	–	390
Total comprehensive income/(loss) for the year		–	–	–	–	–	390	(320,126)	(319,736)
Appropriation of safety production reserve		–	–	–	–	819	–	(819)	–
Share-based payments	*28*	–	–	–	251	–	–	–	251
At 31 December 2025		23,204	1,456,444	(2,183,975)	131,692	819	4,450	(1,645,805)	(2,213,171)

* The reserve accounts comprised deficits of RMB1,916,890,000 and RMB2,236,375,000 in the consolidated statements of financial position as at 31 December 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2024	2025
		RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(486,000)	(320,126)
Adjustments for:			
Finance costs	*8*	191,195	234,051
Interest income	*5*	(10,172)	(16,560)
Depreciation of property, plant and equipment	*14*	8,589	9,002
Depreciation of right-of-use assets	*15*	3,440	3,514
Amortisation of intangible assets	*16*	218	297
Loss on disposal of property, plant and equipment	*6*	96	–
Fair value changes of financial assets at FVTPL, net	*5/6*	(2,206)	12,217
Investment income from financial assets at FVTPL	*5*	(5,003)	(11,719)
Foreign exchange differences, net	*5/6*	(512)	6,695
Share-based payments	*28*	6,518	251
		(293,837)	(82,378)
Increase in trade receivables		–	(4,113)
Decrease in prepayments, other receivables and other assets		30,648	231
Increase in inventories		(9,297)	(18,246)
Decrease in other non-current assets		577	–
Increase/(decrease) in trade and bills payables		3,047	(9,383)
(Decrease)/increase in other payables and accruals		(42)	15,976
Increase/(decrease) in contract liabilities		358,307	(97,500)
Cash generated from/(used in) operations		89,403	(195,413)
Interest received		9,916	9,808
Net cash flows generated from/(used in) operating activities		99,319	(185,605)

	Notes	Year ended 31 December 2024	2025
		RMB'000	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(5,950)	(4,584)
Purchase of intangible assets		(29)	(553)
Purchases of financial assets at FVTPL		(1,980,000)	(5,886,000)
Proceeds from withdrawal of financial assets at FVTPL		1,520,000	6,346,000
Placements of time deposits with original maturity over three months		(10,000)	(298,431)
Proceeds from withdrawal of time deposits with original maturity over three months		–	224,085
Investment income		5,027	19,389
Net cash flows (used in)/generated from investing activities		(470,952)	399,906
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		467,500	–
[**REDACTED**]		[**REDACTED**]	[**REDACTED**]
Repayment of interest-bearing bank borrowing		(9,900)	–
Principal portion of lease payments		(2,793)	(3,645)
Interest paid		(1,164)	(873)
Net cash flows generated from/(used in) financing activities		453,643	(8,248)

	Notes	Year ended 31 December 2024	2025
		RMB'000	*RMB'000*
NET INCREASE IN CASH AND CASH EQUIVALENTS		82,010	206,053
Cash and cash equivalents at beginning of the year		555,788	639,772
Effect of foreign exchange rate changes, net		1,974	(6,754)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	*22*	639,772	839,071
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances, unrestricted		350,579	809,304
Time deposits with initial term of less than three months when acquired		289,193	29,767
Cash and cash equivalents as stated in the consolidated statements of cash flows		639,772	839,071

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2024	2025
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*14*	18,902	17,652
Right-of-use assets		898	513
Intangible assets	*16*	405	661
Investments in subsidiaries	*1*	315,995	310,598
Financial assets at FVTPL	*21*	136,939	124,575
Other non-current assets	*17*	107	1,118
Total non-current assets		473,246	455,117
CURRENT ASSETS			
Inventories	*18*	9,740	28,109
Amounts due from subsidiaries	*33*	187,962	193,956
Trade receivables	*19*	–	4,113
Prepayments, other receivables and other assets	*20*	29,854	34,640
Financial assets at FVTPL	*21*	562,206	100,147
Time deposits	*22*	10,256	85,890
Cash and cash equivalents	*22*	582,363	794,618
Total current assets		1,382,381	1,241,473
CURRENT LIABILITIES			
Amounts due to subsidiaries	*33*	40,326	25,228
Trade and bills payables	*23*	30,381	24,318
Other payables and accruals	*24*	16,606	33,574
Lease liabilities		385	420
Contract liabilities	*25*	73,644	90
Total current liabilities		161,342	83,630
NET CURRENT ASSETS		**1,221,039**	**1,157,843**
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,694,285**	**1,612,960**
NON-CURRENT LIABILITIES			
Redemption liabilities on ordinary shares	*26*	2,780,799	3,013,977
Contract liabilities	*25*	424,541	400,595
Lease liabilities		420	–
Total non-current liabilities		3,205,760	3,414,572
Net liabilities		(1,511,475)	(1,801,612)

	Notes	As at 31 December 2024	As at 31 December 2025
		RMB'000	*RMB'000*
EQUITY			
Share capital	*27*	23,204	23,204
Deficits	*29*	(1,534,679)	(1,824,816)
Total deficits		(1,511,475)	(1,801,612)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Hangzhou Sciwind Biosciences Co., Ltd. (hereinafter the "**Company**") was established in Chinese mainland on 17 August 2017 and was converted into a joint stock company with limited liability on 8 September 2023. The registered office address of the Company is Room 901, 9th Floor, Building 2, No. 400, Fucheng Road, Qiantang District, Hangzhou, Zhejiang, the People's Republic of China (the **"PRC**").

The Company is a pre-commercialisation stage biotechnology company. During the Relevant Periods, the Company and its subsidiaries (the "**Group**") are principally engaged in the research, development and commercialisation of pharmaceutical products.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside the PRC, have substantially similar characteristics to a private company incorporated in the PRC), the particulars of which are set out below:

Name of entity	Place and date of incorporation /registration and place of operations	Issued ordinary /registered share capital	Percentage of equity directly attributable to the Company	Principal activities
			%	
Beijing Sciwind Biotechnology Co., Ltd.* ("**Beijing Sciwind**") 北京先為達生物科技有限公司 (a)	Chinese mainland / 15 October 2020	RMB10,000,000	100	CMC and clinical development
Sciwind Biotech (Shanghai) Co., Ltd.* ("**Shanghai Sciwind**") 先為達生物科技(上海)有限公司 (a)	Chinese mainland / 6 December 2021	RMB10,000,000	100	Early research
Sciwind Biosciences USA Co., Ltd. (a) ("**USA Sciwind**")	United States / 26 October 2020	United States Dollar ("**USD**") 26,800,000	100	Clinical development
Sciwind Biosciences APAC Co., Pty Ltd. (a) ("**AUS Sciwind**")	Australia /3 May 2019	Australian Dollar ("**AUD**") 21,500,088	100	Clinical development and business development

Note:

(a) No statutory financial statements of the entities for the Relevant Periods were audited as of the date of the report.

* The English names of these entities represent the best effort made by the directors of the Company, as they have not been registered with official English names.

The investments in subsidiaries in the Company's statements of financial position represent:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Investments in subsidiaries, at cost	315,995	310,598

As at the end of each Relevant Periods, no impairment indicator was identified for the investments in subsidiaries, considering (i) the progress of all pipelines remains in line with expectations; (ii) no significant adverse changes in the operating environment, management stability and governance structure of these subsidiaries; and (iii) no plan for the discontinuation, restructuring or disposal of any of the subsidiaries.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations as issued by the International Accounting Standards Board (the "**IASB**"). 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 throughout the Relevant Periods.

Notwithstanding that the Group recorded net liabilities of RMB2,213,171,000 as at 31 December 2025 and incurred recurring losses from operations, the Historical Financial Information has been prepared on a going concern basis. The net liabilities were primarily due to redemption liabilities on ordinary shares of RMB3,013,977,000 arising from historical external financing, which will be ceased from the date before the completion of an [**REDACTED**] on the Stock Exchange. The directors of the Company are of the opinion that the Company is not obligated to settle the redemption liabilities in the next twelve months from 31 December 2025 and will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from 31 December 2025 based on the review of the Group's projected cash flows.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial assets at fair value through profit or loss, which are carried at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. 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.

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, any non-controlling interest and the exchange fluctuation reserve; 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	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income 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. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. 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*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements. The application of IFRS 18 will have no impact on the consolidated statement of financial position of the Group, but is expected to have impact on the presentation of the consolidated statement of profit or loss and other comprehensive income. Except for IFRS 18, the directors of the Company anticipate that the application of these new and revised IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each of the Relevant Periods. 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.

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 financial statements 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 Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, and non-current 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.

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 of the Relevant Periods 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

  (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 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:

Office equipment	32%
Machinery and equipment	9.5%-19%
Motor vehicles	23.75%
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives

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 method are reviewed, and adjusted if appropriate, at least at the end of the Relevant Periods.

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.

Intangible assets

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.

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 years. The estimated useful life of 3 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.

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 these criteria is expensed when incurred.

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:

Office premises	3 to 8 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.

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 used to determine such lease payments) 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 office premises (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.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and FVTPL.

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.

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 FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the 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 FVTPL. 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).

At the end of each of the Relevant Periods, 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 that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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 general matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings and redemption liabilities on ordinary shares.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings and redemption liabilities on ordinary shares 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 a weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. 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 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.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at banks, and short-term deposits as defined above.

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 the Relevant Periods 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 the Relevant Periods 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 carry forward 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 carry forward 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.

The carrying amount of deferred tax assets is reviewed at the end of the Relevant Periods 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 the Relevant Periods 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 the Relevant Periods.

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 the statement of 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 the goods or services is transferred to the customer 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.

The Group's revenue is generated from the licence-out agreements which generally contain multiple performance obligations including (1) licences of intellectual property rights; (2) the research and development services and (3) clinical supplies.

(a) Licence-out revenue

The Group's licence-out agreements may contain several performance obligations, including grant of intellectual property licences, rendering research and development services and providing other deliverables. As part of the accounting for the agreement, the Group must develop assumptions that require judgement to determine the stand-alone selling price for each performance obligation identified. In developing the stand-alone selling price for a performance obligation, the Group considers competitor pricing for a similar or identical product, market awareness of and perception of the product, expected product life, and potential market size. In general, the consideration allocated to each performance obligation is recognised when the respective obligation is satisfied, limited to the consideration that is not constrained. Non-refundable upfront payments received are recorded as contract liabilities before respective performance obligations are satisfied.

*Licences of intellectual property ("**IP**"):* Non-refundable upfront payments for licensing the IP are evaluated to determine if it is distinct from other performance obligations identified in the agreement. For licences determined to be distinct, the Group recognises revenues at the point in time, when the IP is licenced to the licensee and the licensee is reasonably able to use and benefit from the licence.

Options to licence intellectual property: Non-refundable upfront payments for options to licence the Group's IP are evaluated to determine if the option represents a material right and is distinct from the other performance obligations identified in the agreement. For options determined to be a material right and distinct, the Group defers the non-refundable up-front fees allocated to the option and recognises revenue at the point in time, at the earlier of when the option is exercised and licenced to the licence, or when the option expires.

Milestone payments: At the inception of each agreement that includes milestone payments, the Group evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Due to the uncertainty involved in meeting such milestones, they are generally fully constrained at contract inception. The Group will assess whether the variable consideration is fully constrained in each Relevant Periods based on the facts and circumstances. Upon changes to the constraint associated with the milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognised is not expected to occur.

Royalties: For arrangements that include sales-based royalties and the licence is deemed to be the predominant item to which the royalties relate, the Group recognises revenue at the later of (i) when the related sales occur, and (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Research and development service revenue: Research and development service revenue is recognised over the time when the customer simultaneously receives and benefits from the services or at the point in time when the control of the services is rendered.

Clinical supply revenue: Clinical supply revenues are recognised at the point in time when such samples are transferred. The clinical supply manufacturing service revenue is recognised on a gross or net basis, depending on whether the Group controls those samples before they are transferred to the customers.

Other income

Bank 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 costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

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 or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Group operates share incentive 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**"). 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 by an external valuer, further details of which are set out 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 of the Relevant Periods 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 the statement of 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 restricted shares 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 schemes

The employees of the Group which operates in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The subsidiary in the United States maintains multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the United States. These plans are defined contribution plans covering substantially all qualifying employees of that subsidiary and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The only obligation of the subsidiaries in the United States with respect to the retirement benefit plans is to make the specified contributions under the plans.

Events after the reporting period

If the Group receives information after each Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of each of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in its Historical Financial Information. The Group will adjust the amounts recognised in its Historical Financial Information to reflect any adjusting events after each Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after each Relevant Periods, the Group will not change the amounts recognised in its Historical Financial Information, 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.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Relevant Periods and their statements of profit or loss and other comprehensive income are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the Relevant Periods are translated into RMB at the average exchange rates for the year.

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. 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 Historical Financial Information:

Research and development ("R&D") expenses

Development costs incurred on the Group's drug product pipelines are capitalised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make judgement regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Relevant Periods, all research and development expenses were charged to profit or loss as incurred since no development costs met these criteria.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for unused tax losses 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.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of the Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

At the end of each of the Relevant Periods, no indicators of impairment of non-financial assets of the Group were identified, given that (i) such assets of the Group were neither obsolete nor physically damaged, and (ii) the Group's operations and pipelines were making progress as planned and the losses incurred during the Relevant Periods did not exceed the budgets for the same periods.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, 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.

R&D expenses

The Group corporates with outsourced service providers to conduct, supervise, and monitor certain pre-clinical and clinical studies. Determining the amounts of research and development expenses incurred up to the end of each Relevant Periods requires the management of the Group to estimate and measure the progress of receiving research and development services under the contracts with outsourced service providers using inputs such as the number of patient enrolments, visits completed and milestone achieved.

Fair value of share-based payment transactions

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, and dividend yield and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, the Group uses a binomial model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed 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.

4. SEGMENT INFORMATION

Operating segment information

The Group is engaged in biopharmaceutical research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's directors for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
United Kingdom	–	128,123
South Korea	–	4,901
Chinese mainland	–	464
Total	**–**	**133,488**

The revenue information above is based on the locations of the headquarters of the Group's customers.

(b) Non-current assets

Since all of the Group's non-current assets were located in Chinese mainland, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

During the year ended 31 December 2025, revenue of approximately RMB128,123,000 was derived from a license-out agreement with a single customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Types of services — at a point in time		
Licence-out revenue	–	106,501
R&D service revenue	–	5,899
Clinical supply revenue	–	21,088
Total	**–**	**133,488**

The following table shows the amounts of revenue recognised in the year ended 31 December 2025 that were included in the contract liabilities at the beginning of 2025:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Licence-out revenue	–	106,501

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Licence-out revenue

The Group entered into multiple licence agreements with third parties (the "**Licences**"), pursuant to which the Licences shall obtain exclusive licences for developing, manufacture, and commercializing certain innovative therapies developed by the Group in certain territories. In general, the consideration allocated to each performance obligation is recognised when the respective obligation is satisfied on acceptance of a good or a service. The Group usually receives non-refundable upfront payments in accordance with licence agreements and is eligible to receive milestone payments and tiered royalty payments based on net sales in the territories.

R&D service revenue

The performance obligation is recognised over the time when the customer simultaneously receives and benefits from the services or at the point in time when the control of the services is rendered and payment is generally due upon completion of services and customer confirmation.

Clinical supply revenue

The performance obligation is satisfied at the point in time when control is transferred and payment is generally due within 30 days from billing issuance.

In October 2024, the Company and a subsidiary of the Company and Verdiva Bio Limited ("**Verdiva**") entered into a licence-out agreement (the "**Verdiva Agreement**") regarding future development and commercialization of a portfolio of certain GLP-1 and amylin receptor agonists, including oral ecnoglutide (XW004), subcutaneous injectable amylin receptor agonist (XW015), and oral amylin receptor agonist (XW016), outside Greater China and Korea. Pursuant to the Verdiva agreement, the Company was entitled to a one-time and non-refundable cash upfront payment of USD42,048,000 (RMB302,130,000 equivalent) and other non-monetary consideration, as well as future milestone and royalty payments. As of December 2024, the Company had received all upfront payment. The Company will also be entitled to receive compensation for R&D services and clinical supply. During the year ended 31 December 2025, the Company recognised license-out revenue of RMB106,501,000 and R&D service and clinical supply revenue of RMB21,622,000.

In April 2024, the Company and Customer B entered into a licence-out agreement regarding future development and commercialization of the obesity, T2D and MASH indications of injectable ecnoglutide (XW003) in South Korea, pursuant to which the Company was entitled to receive upfront and milestone payments. In June 2024, the Company received a one-time and non-refundable payment of USD3,000,000 (RMB21,380,000 equivalent). The Company was also entitled to receive compensation for R&D services and clinical supply. During the year ended 31 December 2025, the Company recognised R&D services and clinical supply revenue of RMB4,901,000.

In June 2024, the Company and Customer C entered into a licence-out agreement regarding future development and commercialization of a broad-spectrum antiviral inhalation in Greater China and certain regions mainly in Asia, pursuant to which the Company was entitled to upfront and milestone payments. In August 2024, the Company received a one-time and non-refundable payment of RMB40,000,000 (RMB37,736,000 excluding tax). In March 2025, the Company received a one-time and non-refundable payment of RMB10,000,000 (RMB9,434,000 excluding tax). The Company was also entitled to receive compensation for R&D services. During the year ended 31 December 2025, the Company recognised R&D services revenue of RMB464,000.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2025 are as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	73,644	90
After one year	424,541	400,595
Total	**498,185**	**400,685**

The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Other income		
Government grants *(a)*	16,401	5,090
Bank interest income	10,172	16,560
Investment income from financial assets at FVTPL	5,003	11,719
Others	56	–
Total other income	**31,632**	**33,369**
Gains		
Fair value gains on financial assets at FVTPL	2,206	–
Foreign exchange gains, net	512	–
Others	3	1
Total gains	**2,721**	**1**
Total other income and gains	**34,353**	**33,370**

Note:

(a) Government grants were received mainly as compensation for the R&D activities of the Group. There are no unfulfilled conditions relating to these grants.

6. OTHER EXPENSES

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Fair value losses on financial assets at FVTPL, net	–	12,217
Loss on disposal of items of property, plant and equipment	96	–
Foreign exchange loss – net	–	6,695
Others	37	33
Total	**133**	**18,945**

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December	
		2024	**2025**
		RMB'000	*RMB'000*
Cost of inventories sold		–	12,972
Cost of licence-out		–	2,732
Cost of services provided		–	2,110
Depreciation of property, plant and equipment	*14*	8,589	9,002
Amortisation of intangible assets	*16*	218	297
Depreciation of right-of-use assets	*15*	3,440	3,514
Expenses relating to short-term lease and low-value lease expenses	*15*	339	439
[**REDACTED**]		[**REDACTED**]	[**REDACTED**]
Government grants	*5*	(16,401)	(5,090)
Investment income from financial assets at FVTPL	*5*	(5,003)	(11,719)
Bank interest income	*5*	(10,172)	(16,560)
Foreign exchange differences, net	*5/6*	(512)	6,695
Loss on disposal of items of property, plant and equipment	*6*	96	–
Fair value changes on financial assets at FVTPL, net	*5/6*	(2,206)	12,217
Employee benefit expenses (excluding directors' and chief executive's remuneration *(note 9)*):			
– Salaries, bonuses, allowances and benefits in kind		72,966	56,267
– Pension scheme contributions		13,776	13,646
– Share-based payments		2,966	2,857
Total		**89,708**	**72,770**

8. FINANCE COSTS

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Interest on redemption liabilities	190,039	233,178
Interest on lease liabilities	1,135	873
Interest on bank borrowings	21	–
Total finance costs	**191,195**	**234,051**

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Fees	300	439
Salaries, bonuses, allowances and benefits in kind	11,607	9,262
Pension scheme contributions	452	330
Share-based payments *(a)*	3,552	2,480
Subtotal	15,611	12,072
Total	**15,911**	**12,511**

Note:

(a) Certain share options were forfeited during the year ended 31 December 2025 as specific vesting conditions were not satisfied. The Company reversed the share-based payment expenses amounted to RMB5,086,000, which was not included in the share-based payment expenses of RMB2,480,000 for the year ended 31 December 2025.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Mr. Gang Wang *(a)*	100	153
Mr. Yi Dong *(b)*	100	75
Mr. Miao Zhang *(c)*	100	129
Mr. Shigang Deng *(d)*	–	82
Total	**300**	**439**

Notes:

(a) Mr. Gang Wang was appointed as an independent director with effect from 18 August 2023.

(b) Mr. Yi Dong was appointed as an independent director with effect from 18 August 2023 and tendered his resignation on 16 September 2025.

(c) Mr. Miao Zhang was appointed as an independent director with effect from 18 August 2023.

(d) Mr. Shigang Deng was appointed as an independent director with effect from 16 September 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors and the chief executive

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Executive director and chief executive:				
Dr. Hai Pan *(a)*	2,713	59	–	2,772
Executive directors:				
Mr. Weidong Zhong *(b)*	4,266	136	1,669	6,071
Dr. Xinle Wu *(c)*	2,911	121	917	3,949
Mr. Yao Li *(d)*	1,012	68	568	1,648
Ms. Liu Yang *(e)*	705	68	398	1,171
Subtotal	8,894	393	3,552	12,839
Non-executive director:				
Mr. Hao Qin *(f)*	–	–	–	–
Total	**11,607**	**452**	**3,552**	**15,611**

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025				
Executive director and chief executive:				
Dr. Hai Pan *(a)*	2,876	63	280	3,219
Executive directors:				
Mr. Weidong Zhong *(b)*	318	11	–	329
Dr. Xinle Wu *(c)*	2,973	63	947	3,983
Mr. Yao Li *(d)*	995	70	647	1,712
Ms. Liu Yang *(e)*	652	70	413	1,135
Mr. Baolei Han *(g)*	1,448	53	193	1,694
Subtotal	6,386	267	2,200	8,853
Non-executive director:				
Mr. Hao Qin *(f)*	–	–	–	–
Total	**9,262**	**330**	**2,480**	**12,072**

Notes:

(a) Dr. Hai Pan was appointed as an executive director and chief executive with effect from 17 August 2017.

(b) Mr. Weidong Zhong was appointed as a director with effect from 20 September 2021 and tendered his resignation on 3 February 2025 due to his own business commitment. A total share-based payment expense of RMB5,086,000 recognised for Mr. Weidong Zhong was reversed upon his departure, which was not included in the share-based payment expenses of RMB2,480,000 for the year ended 31 December 2025.

(c) Dr. Xinle Wu was appointed as a director with effect from 20 September 2021 and was redesignated as an executive director with effect from 16 September 2025.

(d) Mr. Yao Li was appointed as a director with effect from 15 May 2020 and was redesignated as an executive director with effect from 16 September 2025.

(e) Ms. Liu Yang was appointed as a director with effect from 14 October 2020 and was redesignated as an executive director with effect from 16 September 2025.

(f) Mr. Hao Qin was appointed as a director with effect from 18 August 2023 and was redesignated as a non-executive director with effect from 16 September 2025.

(g) Mr. Baolei Han was appointed as a director with effect from 18 April 2025 and was redesignated as an executive director with effect from 16 September 2025.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

Certain directors were granted restricted shares and share options in respect of their services to the Group, further details of which are set out in note 28 to the Historical Financial Information. The fair values of such restricted shares and share options, which have been recognised in profit or loss over the vesting period, were determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods, are included in the above directors' and chief executive's remuneration disclosures.

10. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid employees during the Relevant Periods, included three and two directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two and three highest paid employees, during the Relevant Periods, respectively, who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	6,185	6,149
Pension scheme contributions	236	192
Share-based payments	541	155
Total	**6,962**	**6,496**

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December	
	2024	**2025**
HKD2,000,001 to HKD2,500,000	–	2
HKD2,500,001 to HKD3,000,000	–	1
HKD3,000,001 to HKD3,500,000	1	–
HKD3,500,001 to HKD4,000,000	1	–
Total	**2**	**3**

Certain share options and restricted shares were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 28 to the Historical Financial Information. The fair value of such share options and restricted shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the consolidated financial statements for the Relevant Periods are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

11. INCOME TAX EXPENSE

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Loss before income tax	(486,000)	(320,126)
Tax calculated at a tax rate of 25%	(121,500)	(80,032)
Effect of different tax rates	1,926	28,440
Additional deductible allowance for qualified research and development expenses	(52,207)	(43,014)
Deductible temporary difference and tax losses not recognised	122,948	36,569
Expenses not deductible for tax	51,004	58,952
Tax losses utilised from previous periods	–	(915)
Income not subject to tax	(2,171)	–
Tax charge at the Group's effective rate	**–**	**–**

Current 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.

(a) Chinese mainland corporate income tax

Subsidiaries in Chinese mainland are subject to income tax at a rate of 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), except for Hangzhou Sciwind which obtained its High and New Technology Enterprise qualification ("**HNTE**") in December 2025 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing from 2025.

No provision for Chinese mainland corporate income tax was made for, as there were no assessable profits arising in Chinese mainland.

(b) Australia corporate income tax

The subsidiary incorporated in Australia is subject to income tax at a rate of 30% on the estimated assessable profits during the Relevant Periods.

No provision for Australia corporate income tax was provided for as there were no assessable profits arising in Australia.

(c) The United States of America ("the US") corporate income tax

USA Sciwind, which was incorporated in California, was subject to statutory federal corporate income tax at a rate of 21% during the Relevant Periods. It was also subject to the state income tax at a rate of 8.84% during the Relevant Periods.

No provision for US corporate income tax was provided.

(d) Deferred tax assets not recognised:

The Group has not recognised any deferred tax assets in respect of the following items:

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Deductible temporary difference	2,315	12,086
Tax losses	2,148,504	2,392,877
Total	**2,150,819**	**2,404,963**

No deferred tax asset has been recognised in respect of the deductible temporary difference and the tax losses as the Group is not considered probable that taxable profits will be available against which the above items can be utilised.

(e) Tax losses that are not recognised as deferred tax assets will expire in the following years:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
2027	3,212	3,212
2028	753,545	77,782
2029	537,662	150,333
2030	100,115	182,838
2031-2035	483,392	1,712,434
Indefinite	270,578	266,278
Total	**2,148,504**	**2,392,877**

The tax losses of Hangzhou Sciwind from 2020 will expire within ten years as Hangzhou Sciwind obtained HNTE in December 2025. The tax losses of the other Company's PRC entities will expire within five years. The tax losses of the Company's oversea subsidiaries can be carried forward indefinitely.

(f) 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 financial reporting purposes:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Gross deferred tax assets at end of the year – lease liabilities	3,147	2,217
Gross deferred tax liabilities at end of the year – right-of-use assets	(3,147)	(2,217)
Total	–	–

12. DIVIDEND

No dividend was declared or paid by the Company during the Relevant Periods.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the Relevant Periods.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the impact of outstanding potential ordinary shares in relation to share-based payments had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of the basic and diluted loss per share is based on:

	Year ended 31 December	
	2024	**2025**
Loss attributable to ordinary equity holders of the parent *(RMB'000)*	(486,000)	(320,126)
Weighted average number of ordinary shares outstanding during the year, used in the basic and diluted loss per share calculation *('000)*	21,246	23,204
Basic and diluted loss per share *(RMB)*	(22.87)	(13.80)

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery and equipment	**Office equipment**	**Leasehold improvements**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024				
At 1 January 2024				
Cost	40,746	2,274	15,899	58,919
Accumulated depreciation	(10,755)	(674)	(4,353)	(15,782)
Net carrying amount	29,991	1,600	11,546	43,137
At 1 January 2024, net of accumulated depreciation	29,991	1,600	11,546	43,137
Additions	17,530	–	–	17,530
Disposals	(96)	–	–	(96)
Depreciation charge	(5,279)	(880)	(2,430)	(8,589)
At 31 December 2024, net of accumulated depreciation	42,146	720	9,116	51,982
As at 31 December 2024				
Cost	58,112	2,274	15,899	76,285
Accumulated depreciation	(15,966)	(1,554)	(6,783)	(24,303)
Net carrying amount	42,146	720	9,116	51,982

	Machinery and equipment	Office equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025					
At 1 January 2025					
Cost	58,112	2,274	–	15,899	76,285
Accumulated depreciation	(15,966)	(1,554)	–	(6,783)	(24,303)
Net carrying amount	42,146	720	–	9,116	51,982
At 1 January 2025, net of accumulated depreciation	42,146	720	–	9,116	51,982
Additions	1,615	239	537	–	2,391
Depreciation charge	(6,104)	(467)	–	(2,431)	(9,002)
At 31 December 2025, net of accumulated depreciation	37,657	492	537	6,685	45,371
At 31 December 2025					
Cost	59,727	2,513	537	15,899	78,676
Accumulated depreciation	(22,070)	(2,021)	–	(9,214)	(33,305)
Net carrying amount	37,657	492	537	6,685	45,371

The Company

	Machinery and equipment
	RMB'000
31 December 2024	
At 1 January 2024	
Cost	11,720
Accumulated depreciation	(5,034)
Net carrying amount	6,686
At 1 January 2024, net of accumulated depreciation	6,686
Additions	17,185
Disposals	(2,944)
Depreciation charge	(2,025)
At 31 December 2024, net of accumulated depreciation	18,902
At 31 December 2024	
Cost	21,619
Accumulated depreciation	(2,717)
Net carrying amount	18,902

	Machinery and equipment	Office equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025				
At 1 January 2025				
Cost	21,619	–	–	21,619
Accumulated depreciation	(2,717)	–	–	(2,717)
Net carrying amount	18,902	–	–	18,902
At 1 January 2025, net of accumulated depreciation	18,902	–	–	18,902
Additions	145	108	537	790
Depreciation charge	(2,040)	–	–	(2,040)
At 31 December 2025, net of accumulated depreciation	17,007	108	537	17,652
At 31 December 2025				
Cost	21,764	108	537	22,409
Accumulated depreciation	(4,757)	–	–	(4,757)
Net carrying amount	17,007	108	537	17,652

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises used in its operations. Leases of office premises generally have lease terms between 3 and 8 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Offices premises
	RMB'000
As at 1 January 2024	14,843
Additions	1,186
Depreciation charge	(3,440)
As at 31 December 2024 and 1 January 2025	12,589
Depreciation charge	(3,514)
As at 31 December 2025	9,075

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Carrying amount at the beginning of the year	14,778	13,171
New leases	1,186	–
Accretion of interest recognised during the year	1,135	873
Payments	(3,928)	(4,518)
Carrying amount at the end of the year	13,171	9,526
Analysed into:		
Current portion	3,923	4,070
Non-current portion	9,248	5,456

The maturity analysis of lease liabilities is disclosed in note 35 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Depreciation of right-of-use assets	3,440	3,514
Interest on lease liabilities	1,135	873
Expenses relating to short-term lease and low-value lease expenses	339	439
Total amount recognised in profit or loss	**4,914**	**4,826**

(d) The total cash outflow for leases is disclosed in note 30 to the Historical Financial Information.

16. INTANGIBLE ASSETS

The Group and the Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
At 1 January:		
Cost	631	660
Accumulated amortisation	(37)	(255)
Net carrying amount	594	405
At 1 January, net of accumulated amortisation	594	405
Additions	29	553
Amortisation provided during the year	(218)	(297)
At 31 December, net of accumulated amortisation	405	661
At 1 January:		
Cost	660	1,213
Accumulated amortisation	(255)	(552)
Net carrying amount	405	661

17. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Prepayment for property, plant and equipment	117	2,245
Rental deposits	1,765	1,765
Total	**1,882**	**4,010**

The Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Prepayment for property, plant and equipment	33	1,044
Rental deposits	74	74
Total	**107**	**1,118**

18. INVENTORIES

The Group

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Raw materials	1,383	12,867
Work in progress	–	6,689
Contract costs	8,600	8,673
Total	**9,983**	**28,229**

The Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Raw materials	1,383	12,867
Work in progress	–	6,689
Contract costs	8,357	8,553
Total	**9,740**	**28,109**

19. TRADE RECEIVABLES

The Group and the Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Trade receivables – within 1 year	–	4,113
Impairment	–	–
Net carrying amount	–	4,113

The credit period is generally one month. The Group seeks to maintain strict control over its outstanding receivables and finance department is to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a few numbers of customers, there is a concentration of credit risk.

Trade receivables had no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Prepayments for research and development services	12,251	19,165
Value-added taxes recoverable	17,802	11,075
Prepaid [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other prepayments	753	702
Deposits and other receivables	605	238
Total	**31,411**	**35,741**

The Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Prepayments for research and development services	11,251	18,812
Value-added taxes recoverable	17,643	10,967
Prepaid [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other prepayments	561	276
Deposits and other receivables	399	24
Total	**29,854**	**34,640**

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 addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Current		
Wealth management products *(a)*	562,206	100,147
Non-current		
Other unlisted investment *(b)*	136,939	124,575

Notes:

(a) Wealth management products are issued by banks in Chinese mainland with an expected interest rate from 1.05% to 2.70%. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(b) Other unlisted investment represents the non-monetary consideration received related to the Verdiva Agreement.

22. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Cash and bank balances	350,579	809,304
Time deposits with initial maturity within three months	289,193	29,767
Total cash and cash equivalents	639,772	839,071
Time deposits with original maturity between three and twelve months	10,256	85,890
Total cash and cash equivalents and time deposits	650,028	924,961
Denominated in		
– RMB	288,101	568,040
– USD	340,368	336,685
– AUD	21,559	20,236
Total cash and cash equivalents and time deposits	**650,028**	**924,961**

The Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Cash and bank balances	293,170	794,618
Time deposits with initial maturity within three months	289,193	–
Total cash and cash equivalents	582,363	794,618
Time deposits with original maturity between three and twelve months	10,256	85,890
Total cash and cash equivalents and time deposits	592,619	880,508
Denominated in		
– RMB	259,025	565,865
– USD	333,593	314,642
– AUD	1	1
Total	**592,619**	**880,508**

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is 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. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

23. TRADE AND BILLS PAYABLES

The Group

An ageing analysis of the trade and bills payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Within 1 year	36,039	26,656

The Company

An ageing analysis of the trade and bills payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Within 1 year	30,381	24,318

Note:

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

24. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Payroll payables	11,407	12,435
Government grant payables *(a)*	8,699	10,699
Accruals and payables for **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Payables for service suppliers	902	1,738
Accrued royalties	–	7,408
Other taxes payable	542	626
Others	1,367	1,537
Total	**22,917**	**39,210**

The Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Government grant payables *(a)*	8,699	10,699
Payroll payables	7,283	7,918
Accruals and payables for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Accrued royalties	–	7,409
Other taxes payable	353	492
Payables for service suppliers	66	1,039
Others	205	1,250
Total	**16,606**	**33,574**

Note:

(a) Government grant payables represent government grants received relating to profit or loss with unfulfilled conditions attached.

Other payables are non-interest-bearing and have an average term of 30 days.

25. CONTRACT LIABILITIES

The Group and the Company

The Group and the Company have recognised the following liabilities related to contracts with customers:

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Advances received from customers		
Licence-out upfront payments	498,185	400,685
Non-current	424,541	400,595
Current	73,644	90
Total	**498,185**	**400,685**

The balance mainly represents the payments received under the various licence-out arrangements as set out in note 5 to the Historical Financial Information. The Company recognised these payments as contract liabilities because the performance obligations under these licence-out arrangements had yet to be fulfilled.

26. REDEMPTION LIABILITIES ON ORDINARY SHARES

From September 2017 to November 2024, the Company completed seven rounds of pre-[**REDACTED**] investments, namely Series Pre-A Investments, Series A Investments, Series B Investments, Series C Investments, Series C+ Investments, Series C++ Investments and Series D Investments (collectively referred as "**Pre-[REDACTED] Investments**"). 13,782,649 shares ("**Shares**") were issued and registered under the Pre-[**REDACTED**] Investments. More details of the Pre-[**REDACTED**] Investments are fully explained in the paragraph headed "Overview" of the section headed "PRE-[**REDACTED**] INVESTMENTS" in the Document.

The key terms of the Shares are summarised as follows:

Redemption features

Upon occurrence of the following events, the Shares shall be redeemable at the option of the Pre-[**REDACTED**] Investments holders: (i) The Company failed to complete a qualified [**REDACTED**] ("[**REDACTED**]") by 7 April 2027; (ii) Changes in the actual controller of the Company, except for capital increase approved by the shareholders' meeting in accordance with the agreement; (iii) If the Company has already met the conditions for a qualified [**REDACTED**] and the Pre-[**REDACTED**] Investments holders vote in favour of a qualified [**REDACTED**], but the Company fails to apply for [**REDACTED**] due to the commitment person or a director appointed by a non-repurchaser on the Company's board of directors not voting in favour of a qualified [**REDACTED**]; (iv) After the Company submits an [**REDACTED**] for [**REDACTED**], the [**REDACTED**] is rejected by the [**REDACTED**] regulatory authority, or the certified public accountant is unable to issue an unqualified audit report and the new certified public accountant still cannot issue an unqualified audit report; (v) Any promisor seriously violates the provisions or guarantees in the transaction documents and fails to take timely remedial measures, thereby causing the Company or its main business to be unable to continue operating, or having a significant adverse impact on the business development of the Company or the Group; (vi) The Company or any significant subsidiary of the Group is ordered to suspend business operations, or other circumstances occur where it loses its business qualifications or is unable to carry out its main business; (vii) Any promisor who commits major criminal violations, major integrity issues or major illegal acts related to business operations; or (viii) Where any shareholder of the Company requests any promisor or the entity designated by him to repurchase/acquire the shares of the Company held by him, or where any promisor or the entity designated by him repurchases/acquires the shares of the Company held by any shareholder of the Company.

The redemption amount is calculated as the sum of the original issue price of the shares, plus interest calculated with an effective interest rate at 10%, and plus all declared but unpaid dividends thereon.

Such redemption features will be ceased from the date before the completion of an [**REDACTED**] on the Stock Exchange.

Liquidation preferences

In the event of any bankruptcy, liquidation, dissolution or termination of the Company (collectively referred as "**legal liquidation events**"), or in the event of the overall sale of the Company, holders of the Shares shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, the amount for liquidation is the higher of (i) the original issue price for each series equity share at 10% interest rate per annum or the original issue price multiplied by 130%, plus any dividends declared but unpaid thereon; (ii) the actual paid-in shareholding ratio of the investor in the Company multiplied by the amount of distributable liquidation assets.

Anti-dilution right

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require that (i) the Company to issue additional paid-in capital or the founding team to transfer the shares at the nominal price of RMB1.00 or the minimum consideration permitted by law to the investors or (ii) receive cash compensation, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Presentation and classification

The Group had consistently recognised Shares as redemption liabilities on ordinary shares measured at amortised cost as (i) not all redemption events are within the control of the Company; (ii) not all deemed liquidation events are within the control of the Company; and (iii) their contractual cash flows are solely payments of principal and interest. Therefore, these financial instruments did not meet the definition of equity for the Company. Any changes in the carrying amount of the financial liabilities were recorded in profit or loss.

Redemption liabilities on ordinary shares as at the end of each of the Relevant Periods are classified as non-current liabilities as the redemption events and deemed liquidation events are expected to be triggered after 12 months from the date of this report.

The Group and the Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Non-current		
Redemption liabilities on ordinary shares	2,780,799	3,013,977

The movements of the redemption liabilities on ordinary shares are set out below:

The Group and the Company

	RMB'000
As at 1 January 2024	2,123,260
Issue of shares	467,500
Accretion of interest	190,039
As at 31 December 2024 and 1 January 2025	2,780,799
Accretion of interest	233,178
As at 31 December 2025	3,013,977

27. SHARE CAPITAL

The Group and the Company

A summary of movements in the Company's share capital is as follows:

Issued and fully paid:

	Number of ordinary shares	**Share capital**
		RMB'000
As at 1 January 2024	20,974,763	20,975
Issue of shares *(a)*	2,228,583	2,229
As at 31 December 2024, 1 January 2025 and 31 December 2025	23,203,346	23,204

Note:

(a) On 11 November 2024, the Company passed shareholders' resolutions and approved the increase of the share capital of the Company from RMB20,975,000 to RMB23,204,000. The proceeds for the issue of shares were received in December 2024, with approximately RMB2,229,000 and RMB465,271,000 credited to the Company's share capital and share premium, respectively.

28. SHARE-BASED PAYMENTS

2020 Restricted Share Units ("RSUs") Plan

On 14 August 2020, a restricted share units plan (the "**2020 RSUs Plan**") was approved to provide incentives to qualified participants who have contributed to the successful operation of the Group. The source of the shares in this plan is the equity of the Company held by Beijing Heweida Enterprise Management Consulting Center (Limited Partnership), a holding platform. Each RMB1.00 paid-in capital is divided into 10 shares, with a total of 3,000,000 shares to be granted. The qualified participants increase their capital in the holding platform through obtaining shares of the holding platform, and thereby indirectly hold the equity of the Company.

Under the 2020 RSUs Plan, 13 employees have signed share incentive grant agreements. The subscription price for the RSUs granted to the qualified participants is RMB0.20 per share. The lock-up period of restricted shares is being the later of 60 months or 36 months from the date of completion the [**REDACTED**].

The number of RSUs outstanding under the 2020 RSUs Plan as at the end of each of the Relevant Periods were 2,400,000 and 2,400,000, respectively.

2021 Share Option Plan

On 13 December 2021, the Company approved a share option plan ("**2021 Share Option Plan**"). Beijing Heweida Enterprise Management Consulting Center (Limited Partnership), Shanghai Xiankeda Enterprise Management Consulting Partnership (Limited Partnership) and Hangzhou Shiweida Enterprise Management Consulting Partnership (Limited Partnership) serve as the shareholding platforms. Each RMB1.00 of paid-in capital is divided into 10 shares, with a total of 7,083,599 shares to be granted.

Under the 2021 Share Option Plan, a total of 9 domestic personnel and 3 foreign employees are granted with share options. The exercise price for the share options granted to the incentive recipients is RMB1 per share. The vesting period is 60 months from the grant date of the share options. The exercise period is 30 days from the date of receiving the exercise notice by the incentive recipients.

The following share options were outstanding under the 2021 Share Option Plan as at the end of each of the Relevant Periods:

	As at 31 December	
	2024	**2025**
	Number of share options (a)	*Number of share options (a)*
Outstanding as at beginning of the year	6,846,953	6,846,953
Forfeited during the year	–	(3,802,110)
Outstanding as at the end of the year	6,846,953	3,044,843

Note:

(a) Each share option presented in the table above equals one-tenth registered share capital of the Company.

The fair value of share options on the grant date is RMB3.96 per share option, which was estimated using a Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

	Grant date
Risk-free interest rate	2.71%
Expected volatility	49.54%
Ordinary share price (RMB per share)	4.78

2025 RSUs Plan

On 16 September 2025, a restricted share units plan (the "**2025 RSUs Plan**") was approved to provide incentives to qualified participants who have contributed to the successful operation of the Group. The source of the shares in this plan is the equity of the Company held by Hangzhou Shiweida Enterprise Management Consulting Partnership Enterprise (Limited Partnership) and Shanghai Xiankeda Corporate Management Consulting Partnership Enterprise (Limited Partnership), two holding platforms. A total of 728,000 restricted share units were granted. The qualified participants increase their capital in the holding platforms through obtaining shares of the holding platforms, and thereby indirectly hold the equity of the Company.

Under the 2025 RSUs Plan, 55 employees have signed share incentive grant agreements. The subscription price for the RSUs granted to the qualified participants is RMB20 per restricted share unit. The lock-up period of RSUs is being the 60 months from the grant date.

The following restricted share units were outstanding under the 2025 RSUs Plan as at 31 December 2025:

	As at 31 December 2025
	Number of restricted share units
Outstanding as at beginning of the year	–
Granted during the year	728,000
Forfeited during the year	(5,000)
Outstanding as at the end of the year	723,000

The fair value of RSUs is RMB56.07 per restricted share unit, which was estimated using back-solved model based on the most recent transaction price.

During the Relevant Periods, the Group recognised share-based payment expenses of RMB6,518,000 and RMB251,000, respectively.

29. DEFICITS

The Group

The amounts of the Group's deficits and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Share premium

The share premium of the Group represents the difference between the nominal value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the share-based payments as set out in note 28 to the Historical Financial Information.

(c) Other reserves

Other reserves of the Group represent the carrying amounts of the ordinary shares with redemption features as stipulated in note 26 to the Historical Financial Information.

(d) Exchange fluctuation reserves

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of entities with functional currencies that are not RMB.

(e) Safety production reserve

The Group has appropriated safety production reserve fund for the purposes of safety production purposes as required by directives issued by the relevant PRC government authorities.

The Company

	Share premium	Other reserves	Share-based payment reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	991,173	(1,716,475)	124,923	(545,064)	(1,145,443)
Loss and total comprehensive loss for the year	–	–	–	(393,525)	(393,525)
Issue of ordinary shares	465,271	–	–	–	465,271
Share-based payments	–	–	6,518	–	6,518
Recognition of redemption liabilities on ordinary shares	–	(467,500)	–	–	(467,500)
At 31 December 2024	1,456,444	(2,183,975)	131,441	(938,589)	(1,534,679)
At 1 January 2025	1,456,444	(2,183,975)	131,441	(938,589)	(1,534,679)
Loss and total comprehensive loss for the year	–	–	–	(290,388)	(290,388)
Share-based payments	–	–	251	–	251
At 31 December 2025	1,456,444	(2,183,975)	131,692	(1,228,977)	(1,824,816)

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

– ***Recognition of right-of-use assets and lease liabilities***

During the year ended 31 December 2024, the Group had non-cash additions to right-of-use assets of RMB1,186,000 and lease liabilities of RMB1,186,000, in respect of lease arrangements for offices premises.

– ***Recognition of financial assets at fair value through profit or loss and contract liabilities***

During the year ended 31 December 2024, the Group had non-cash additions to financial assets at fair value through profit or loss and contract liabilities of RMB136,939,000 in respect of Verdiva Agreement.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	Redemption liabilities on ordinary shares
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	9,908	14,778	2,123,260
Changes from financing cash flows:			
Interest paid for bank borrowings	(29)	–	–
Repayment of bank loans	(9,900)	–	–
Principal portion of lease payments	–	(2,793)	–
Interest paid for lease liabilities	–	(1,135)	–
Proceeds from issue of shares	–	–	467,500
Other changes:			
New leases	–	1,186	–
Accretion of interest recognised during the year	21	1,135	190,039
At 31 December 2024	–	13,171	2,780,799

	Other payables and accruals	Lease liabilities	Redemption liabilities on ordinary shares
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025	–	13,171	2,780,799
Changes from financing cash flows:			
Principal portion of lease payments	–	(3,645)	–
Interest paid for lease liabilities	–	(873)	–
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other changes:			
Accretion of interest recognised during the year	–	873	233,178
Changes from operating cash flows	(15,920)	–	–
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Prepaid [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
At 31 December 2025	4,767	9,526	3,013,977

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Within operating activities	339	439
Within financing activities	3,928	4,518
Total	**4,267**	**4,957**

31. COMMITMENTS

Capital commitments

Capital expenditure contracted by the Group at the end of each of the Relevant Periods but not yet incurred is as follows:

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Property, plant and equipment	313	731

32. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties

The Company

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Amounts due from subsidiaries – non-trading nature:		
Beijing Sciwind	185,962	190,956
Shanghai Sciwind	2,000	3,000
Total	**187,962**	**193,956**
Amounts due to subsidiaries – trading nature:		
Beijing Sciwind	27,303	25,228
USA Sciwind	13,023	–
Total	**40,326**	**25,228**

Amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

(b) Key management compensation

Compensation for key management to the Historical Financial Information is set out below.

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	11,741	10,410
Pension scheme contributions	430	350
Share-based payments	3,155	2,044
Total	**15,326**	**12,804**

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Financial assets at amortised cost:		
Trade receivables	–	4,113
Financial assets included in prepayments and other receivables	605	238
Financial assets included in other non-current assets	1,765	1,765
Cash and cash equivalents	639,772	839,071
Time deposits	10,256	85,890
Total	**652,398**	**931,077**
Financial assets at FVTPL:		
Wealth management products	562,206	100,147
Other unlisted investments, at fair value	136,939	124,575
Total	**699,145**	**224,722**

Financial liabilities

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Financial liabilities at amortised cost:		
Trade and bills payables	36,039	26,656
Financial liabilities included in other payables and accruals	10,968	26,149
Redemption liabilities on ordinary shares	2,780,799	3,013,977
Total	**2,827,806**	**3,066,782**

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and time deposits, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in payables, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. 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 financial director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting. 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 Group invests in unlisted investments, which included wealth management products issued by banks in Chinese mainland and other unlisted investment. The Group has estimated the fair value of these wealth management products by using Monte Carlo Valuation Model. The Group has estimated the fair value of the unlisted investments by using Hybrid Method.

The fair values of the redemption liability on equity shares are determined based on the present value of future cash flows and are approximate to its carrying amount.

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			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	562,206	–	562,206
Other unlisted investment	–	–	136,939	136,939
Total	**–**	**562,206**	**136,939**	**699,145**

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	100,147	–	100,147
Other unlisted investment	–	–	124,575	124,575
Total	**–**	**100,147**	**124,575**	**224,722**

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . .	Hybrid Method	Expected volatility ("**EV**")	64.70%	5% increase/decrease in EV would result in increase/decrease in fair value by RMB914,000/RMB1,636,000
		Discount for lack of Marketability ("**DLOM**")	27.0%-29.5%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB2,785,000/RMB2,784,000

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . .	Hybrid Method	Expected volatility ("**EV**")	67.73%	5% increase/decrease in EV would result in increase/decrease in fair value by RMB158,0000 /RMB150,000
		Discount for lack of Marketability ("**DLOM**")	24.0%-28.5%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB1,842,000/RMB1,842,000

The Group did not have any financial liabilities measured at fair value as at the end of each of the Relevant Periods.

During the Relevant Periods, 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 interest bearing bank borrowings, redemption liabilities on ordinary shares and cash and cash equivalents and time deposits. 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, financial assets at FVTPL, financial assets included in other non-current assets and prepayments, other receivables and other assets, trade and bills payables, and financial liabilities included in other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD exchange rates, with all other variables held constant, of the Group's loss before tax and equity (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in foreign exchange rate	Decrease/ (increase) in loss before tax	Decrease/ (increase) in loss for the year
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2024			
If RMB weakens against the USD	5	16,597	12,448
If RMB strengthens against the USD	(5)	(16,597)	(12,448)
Year ended 31 December 2025			
If RMB weakens against the USD	5	15,421	11,566
If RMB strengthens against the USD	(5)	(15,421)	(11,566)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the 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 Periods, based on the contractual undiscounted payments, is as follows:

	With 1 year or on demand	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Trade and bills payables	36,039	–	–	36,039
Financial liabilities included in other payables and accruals	10,968	–	–	10,968
Redemption liabilities on ordinary shares	–	–	3,339,855	3,339,855
Lease liabilities	4,796	4,668	6,519	15,983
Total	**51,803**	**4,668**	**3,346,374**	**3,402,845**
As at 31 December 2025				
Trade and bills payables	26,656	–	–	26,656
Financial liabilities included in other payables and accruals	26,149	–	–	26,149
Redemption liabilities on ordinary shares	–	3,339,855	–	3,339,855
Lease liabilities	4,668	4,242	2,277	11,187
Total	**57,473**	**3,344,097**	**2,277**	**3,403,847**

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 cash flows 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. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

36. PLEDGE OF ASSETS

No assets of the Group have been pledged during the Relevant Periods.

37. SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Group after 31 December 2025 and up to the date of issuance of this Historical Financial Information.

38. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or the Group's subsidiaries in respect of any period subsequent to 31 December 2025.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

This appendix contains a summary of the principal provisions of the Articles of Association (the "**Articles**") which will take effect on the date of [**REDACTED**] of the H Shares on the Hong Kong Stock Exchange. The primary purpose of this appendix is to provide potential [**REDACTED**] with an overview of the Articles, and therefore may not contain all data that may be important to prospective [**REDACTED**].

GENERAL PROVISIONS

The Company is a joint stock limited Company established in accordance with the Company Law and other relevant regulations.

Shareholders shall be liable to the Company to the extent of their subscribed shares, and the Company shall be liable for its debts with all its assets.

From the date of its effectiveness, these Articles of Association shall constitute a legally binding document governing the organization and conduct of the Company, as well as the rights and obligations between the Company and its shareholders, and among shareholders themselves. They shall be legally binding upon the Company, its shareholders, directors, and senior management personnel. Pursuant to these Articles, shareholders may bring legal proceedings against other shareholders; shareholders may bring legal proceedings against directors and senior management personnel of the Company; shareholders may bring legal proceedings against the Company; and the Company may bring legal proceedings against shareholders, directors, and senior management personnel.

SCOPE OF BUSINESS

Upon registration in accordance with the laws, the Company's business scope (subject to final approval by the market supervision authority) shall be as follows: General items: technical services, technical development, technical consultancy, technical exchange, technology transfer, and technology promotion; sales of chemical products (excluding licensed chemical products); sale of specialized chemical products (excluding hazardous chemicals); import and export of goods; import and export of technology; sale of Class II medical devices (except for items requiring approval in accordance with the laws, business activities may be conducted independently in accordance with the business license). Licensed items: pharmaceutical production; pharmaceutical contract manufacturing; pharmaceutical import and export; pharmaceutical wholesale; pharmaceutical retail (For items subject to approval by relevant authorities, business activities may only commence upon obtaining such approval. Specific business activities shall be subject to the result of final approval).

SHARE

Share Issuance

The issuance of shares of the Company shall be conducted in accordance with the principles of openness, fairness, and impartiality. Each share of the same class shall carry equal rights. Shares of the same class issued in the same offering shall have identical terms and prices per share; subscribers shall pay the same amount per share for the shares they subscribe for.

Increase, Reduction and Repurchase of Shares

In accordance with the provisions of laws and regulations, and subject to resolutions passed by the shareholders' meeting, the Company may increase its capital through the following methods as required for its operations and development:

(i) issuing shares to unspecified persons;

(ii) issuing shares to specific parties;

(iii) distributing bonus shares to existing shareholders;

(iv) capitalization of reserves;

(v) other methods stipulated by laws, administrative regulations, the China Securities Regulatory Commission, the Hong Kong Listing Rules, and as approved by the securities regulatory authorities of the place where the Company's shares are listed.

The Company shall not acquire its own shares, except in any of the following circumstances:

(i) reduction of the Company's registered capital;

(ii) merging with another Company holding shares in the Company;

(iii) using shares for employee share ownership schemes or equity incentive schemes;

(iv) where a shareholder objects to a resolution passed by the shareholders' meeting concerning the merger or division of the Company and requests the Company to acquire their shares;

(v) conversion of bonds issued by the Company that are convertible into shares;

(vi) where it is necessary for safeguarding the corporate value and shareholders' interests of the Company;

(vii) other circumstances permitted by laws, regulations, departmental rules, the Hong Kong Listing Rules, regulatory rules of the place where the Company's shares are listed, and relevant regulatory authorities.

The Company may acquire its own shares through open centralized trading or other methods recognized by laws, administrative regulations, the Hong Kong Listing Rules, and the securities regulatory authorities of the place where the Company's shares are [**REDACTED**]. Where the Company acquires its own shares under circumstances specified in items (iii), (v) or (vi) above, such acquisition shall be conducted through open centralized trading, subject to compliance with the applicable securities regulatory rules and guidelines of the place where the Company's shares are [**REDACTED**]. Where the Company acquires its own shares under circumstances described in items (i) and (ii) above, such acquisition shall be approved by a resolution of the shareholders' meeting. Where the Company acquires its own shares under circumstances described in items (iii), (v) and (vi) above, such acquisition shall be conducted through open and centralized trading methods, subject to compliance with the applicable securities regulatory rules and guidelines of the place where the Company's shares are [**REDACTED**].

Where the Company acquires its own shares under circumstances specified in items (i) and (ii) above, such acquisition shall be subject to a resolution of the shareholders' meeting. Where the Company acquires its own shares under circumstances specified in items (iii), (v) and (vi) above, such acquisition may, in accordance with the provisions of these Articles of Association or the authorization of the shareholders' meeting, be subject to a resolution of the board of directors meeting attended by more than two-thirds of the directors, provided that the applicable securities regulatory rules of the place where the Company's shares are [**REDACTED**] are complied with. Following the acquisition of its own shares, the Company

shall fulfil its information disclosure obligations in accordance with relevant laws, regulations, the Hong Kong Listing Rules, and the relevant provisions of the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

Share Transfer

The Company's shares shall be transferred in accordance with the law.

The Company shall not accept its own shares as security for any pledge.

Shares issued prior to the Company's [**REDACTED**] of shares shall not be transferred within one year from the date of [**REDACTED**] of the Company's shares on a stock exchange. Where laws, administrative regulations, or the securities regulatory authority of the State Council impose additional requirements on the transfer of shares held by shareholders or de facto controllers of [**REDACTED**] companies, such requirements shall prevail.

Directors and senior management personnel of the Company shall declare to the Company their shareholdings in the Company and any changes thereto. During their term of office determined upon appointment, the shares transferred annually shall not exceed 25% of their total holdings of the Company's shares. Shares held by such persons shall not be transferred within one year from the date of [**REDACTED**] of the Company's shares. Such persons shall not transfer their holdings of the Company's shares within six months after departure from office.

Where the relevant requirements of the securities regulatory authority of the place where the Company's shares are [**REDACTED**] has separate provisions restricting the transfer of the Company's overseas-[**REDACTED**] shares, such requirements shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of members based on certificates provided by the securities registration and settlement institution, in accordance with laws, regulations, prescriptive documents, the Hong Kong Listing Rules, and other applicable provisions. The register of members shall constitute conclusive evidence of a shareholder's holding of shares in the Company. Shareholders shall enjoy rights and bear obligations commensurate with the class of shares held; shareholders holding shares of the same class shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other forms of profit distribution commensurate with their shareholding;

(ii) to request, summon, preside over, participate in, or appoint a proxy to attend shareholders' meetings in accordance with the laws, and to exercise corresponding voting rights;

(iii) to supervise the Company's operations and to make suggestions or raise queries;

(iv) to transfer, gift, or pledge their shares in the Company in accordance with laws, administrative regulations, and these Articles of Association;

(v) to inspect and copy these Articles of Association, the register of members, minutes of shareholders' meetings, resolutions of meetings of the board of directors, and financial accounting reports in accordance with the Company Law, Securities Law, and other laws and administrative regulations. Shareholders who individually or collectively hold 3% or more of the Company's shares for a continuous period of 180 or more days may inspect the Company's accounting books and accounting vouchers. Where the Company has reasonable grounds to believe that a shareholder's inspection of accounting books or accounting vouchers is for improper purposes and may prejudice the Company's lawful interests, it may refuse such inspection and shall provide a written response stating the reasons thereof to the shareholder;

(vi) the Company shall maintain a complete copy of the register of members and minutes of shareholders' meetings at its Hong Kong address for inspection by shareholders, as required by the Hong Kong Listing Rules. However, the Company may close the registration of members in accordance with equivalent provisions under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong). Where applicable laws, administrative regulations, departmental rules, prescriptive documents, or securities regulatory rules of the stock exchange where the Company's shares are [**REDACTED**] contain specific provisions regarding the suspension of registration changes to the register of members, such provisions shall prevail.

(vii) upon the Company's dissolution or liquidation, to participate in the distribution of the Company's residual assets in proportion to their shareholdings;

(viii) shareholders who object to resolutions passed by the shareholders' meeting concerning the merger or division of the Company may request the Company to purchase their shares;

(ix) other rights as provided by laws, administrative regulations, departmental rules, or these Articles of Association.

Shareholders requesting to inspect or copy relevant materials of the Company shall comply with the provisions of laws and administrative regulations such as the Company Law and the Securities Law, and shall provide the Company with written documentation proving the category and quantity of their shareholdings. Upon verification of the shareholder's identity, the Company shall furnish the materials as requested.

Where resolutions of the shareholders' meeting or board of directors contravene laws or administrative regulations, shareholders shall have the right to request the People's Court to declare such resolutions invalid.

Resolutions of the Company's shareholders' meeting or board of directors shall be deemed invalid in any of the following circumstances:

(i) where no shareholders' meeting or meeting of the board of directors was convened to adopt the resolution;

(ii) where the resolution matter was not put to a vote at the shareholders' meeting or meeting of the board of directors;

(iii) the number of attendees or the number of votes cast at the meeting fails to meet the quorum or voting threshold stipulated in the Company Law or these Articles of Association;

(iv) the number of persons or voting rights in favor of the resolution fails to meet the quorum or voting rights required under the Company Law or these Articles of Association.

Where directors or senior management personnel, other than members of the Audit Committee, violate laws, administrative regulations, or these Articles of Association in the performance of their duties, thereby causing losses to the Company, shareholders holding, individually or collectively, more than one per cent of the Company's shares for a continuous period of one hundred and eighty days or more shall have the right to request the Audit Committee in writing to initiate legal proceedings before the People's Court. Where members of the Audit Committee violate laws, administrative regulations, or these Articles of Association in the performance of their duties, thereby causing losses to the Company, the aforementioned shareholders may request the board of directors in writing to initiate legal proceedings before the People's Court.

Where any other person infringes upon the lawful rights and interests of the Company, causing loss to the Company, the shareholders referred to above may initiate legal proceedings in the People's Court in accordance with the provisions of the preceding two paragraphs.

Where directors, supervisors (if any), or senior management personnel of a wholly-owned subsidiary of the Company cause losses to the Company by performing their duties in violation of laws, administrative regulations, or the provisions of these Articles of Association, or where others infringe upon the lawful rights and interests of a wholly-owned subsidiary of the Company causing losses, shareholders who have held, individually or collectively, more than one per cent of the Company's shares for a continuous period of one hundred and eighty days or more may may, in writing, request the board of supervisors or the board of directors (if any) of the wholly-owned subsidiary to initiate proceedings before the People's Court in accordance with the first three paragraphs of Article 189 of the Company Law, or may initiate proceedings before the People's Court directly in their own name.

Where directors or senior management personnel violate laws, administrative regulations or these Articles of Association, thereby harming shareholders' interests, shareholders may bring legal proceedings before the People's Court.

Shareholders of the Company shall assume the following obligations:

(i) to comply with laws, administrative regulations and these Articles of Association;

(ii) to pay the subscription price for the shares they subscribe to in accordance with the manner of subscription;

(iii) not to withdraw their capital except as provided by laws and regulations;

(iv) not to abuse shareholders' rights to the detriment of the Company or other shareholders, nor to abuse the Company's independent legal status and the limited liability of shareholders to the detriment of the Company's creditors.

Where a shareholder abuses their shareholders' rights, thereby causing loss to the Company or other shareholders, they shall bear liability for compensation in accordance with the law. Where a shareholder abuses the Company's independent legal status and the limited liability of shareholders to evade debts, thereby seriously harming the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

(v) other obligations stipulated by laws, administrative regulations, the regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association.

Controlling Shareholders and De Facto Controllers

The controlling shareholder and de facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], and the provisions of relevant regulatory authorities, and shall safeguard the interests of the listed company.

The Company's controlling shareholders and de facto controllers shall comply with the following requirements:

(i) to exercise shareholders' rights in accordance with the law, without abusing control rights or exploiting related party/connected relationships to the detriment of the legitimate rights and interests of the Company or other shareholders;

(ii) to strictly fulfil all public declarations and commitments made, and shall not arbitrarily alter or waive them;

(iii) to strictly fulfil information disclosure obligations in accordance with relevant regulations, proactively cooperate with the Company in information disclosure work, and promptly notify the Company of any material events that have occurred or are proposed to occur;

(iv) not to appropriate corporate funds in any manner;

(v) not to compel, direct, or require the Company or relevant personnel to provide guarantees in violation of laws or regulations;

(vi) not to utilize undisclosed material information of the Company for personal gain, not to disclose in any manner undisclosed material information relating to the Company, and not to engage in illegal activities such as insider trading, short-term trading, or market manipulation;

(vii) not to harm the lawful rights and interests of the Company and other shareholders through any means, including unfair related party/connected transactions, profit distribution, asset restructuring or external investments;

(viii) to ensure the integrity of assets, personnel independence, financial independence, organizational independence, and operational independence of the Company; not to compromise the Company's independence in any manner;

(ix) to comply with laws, administrative regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are [**REDACTED**], relevant regulatory authorities' requirements, and other provisions of these Articles of Association.

Where the Company's controlling shareholder or de facto controller does not serve as a director but actually implements the Company's affairs, the provisions of these Articles concerning directors' duties of loyalty and diligence shall apply.

Where the controlling shareholder or de facto controller of the Company instructs directors or senior management personnel to engage in conduct detrimental to the interests of the Company or its shareholders, they shall bear joint and several liability with such directors or senior management personnel.

Where a controlling shareholder or de facto controller pledges shares held or effectively controlled by them, they shall maintain the Company's control and the stability of its production and operations.

General Provisions on shareholders' meetings

The shareholders' meeting shall comprise all shareholders. As the body of authority of the Company, it shall exercise the following powers in accordance with the law:

(i) to elect and replace directors, and to determine matters relating to directors' remuneration;

(ii) to consider and approve the report of the board of directors;

(iii) to consider and approve the Company's profit distribution plan and loss compensation plan;

(iv) to resolve on the increase or reduction of the Company's registered capital;

(v) to resolve on the issuance of corporate bonds;

(vi) to resolve on the merger, division, dissolution, liquidation or alteration of the Company's format;

(vii) to amend these Articles of Association;

(viii) to resolve on the engagement or dismissal of the accounting firm undertaking the Company's audit work;

(ix) to consider and approve guarantee matters stipulated in these Articles of Association;

(x) to consider and approve transactions as stipulated in these Articles of Association;

(xi) to consider matters concerning the purchase or sale of significant assets within one year exceeding 30% of the Company's most recent audited total assets;

(xii) to consider and approve changes to the use of proceeds;

(xiii) to consider and approve related party transactions (excluding guarantees) where the transaction amount exceeds 1% of the Company's most recent audited total assets or market capitalization and exceeds RMB30 million, as well as any transactions and related party transactions required to be considered and approved by the shareholders' meeting under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, and these Articles of Association;

(xiv) to consider equity incentive schemes and employee share ownership schemes;

(xv) to consider on other matters stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association as to be decided by the shareholders' meeting.

The shareholders' meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.

The Company may, upon resolution of the shareholders' meeting or upon resolution of the board of directors as authorized by these Articles of Association or the shareholders' meeting, issue shares or corporate bonds convertible into shares. The specific implementation shall comply with laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], and the requirements of relevant regulatory authorities.

Where any of the following circumstances arise, the Company shall convene an extraordinary shareholders' meeting within two months from the date of occurrence:

(i) where the number of directors falls below the minimum number prescribed by the Companies Ordinance (i.e., 3) or two-thirds of the number specified in these Articles of Association;

(ii) where the Company's accumulated losses reach one-third of the total share capital;

(iii) when requested by shareholders holding, individually or collectively, more than 10% of the Company's shares;

(iv) when deemed necessary by the board of directors;

(v) when proposed by the Audit Committee;

(vi) other circumstances prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are [**REDACTED**], relevant regulatory authorities, or these Articles of Association.

The shareholding of shareholders referred to in item (iii) above shall be calculated based on the shares held in the Company on the date the shareholder submits the written request.

The Company may convene shareholders' meetings by way of on-site meeting, by electronic communication, or by a combination of both methods. Where a meeting is convened by electronic communication or a combination of both methods, the Company shall provide online voting facilities for the convenience of shareholders. Participation in the meeting via online voting shall be deemed as attendance at the meeting.

Summoning of Shareholders' Meetings

Shareholders' meetings shall be summoned by the board of directors in accordance with the law and be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to perform their duties or fails to perform such duties, a director jointly nominated by a majority of the directors shall preside over the meeting.

Where the board of directors is unable or fails to fulfil its duty to summon a shareholders' meeting, the Audit Committee shall promptly summon and preside over the meeting. Where the Audit Committee fails to summon and preside over, shareholders holding individually or collectively more than 10% of the Company's shares for a continuous period of 90 days or more may summon and preside over the meeting on their own initiative.

Where shareholders holding individually or collectively more than 10% of the Company's shares request the convening of an extraordinary shareholders' meeting, the board of directors and the Audit Committee shall, within ten days of receiving such request, decide whether to convene the extraordinary shareholders' meeting and provide a written response to the shareholders.

With the consent of a majority of all independent non-executive directors, independent non-executive directors shall have the right to propose to the board of directors the convening of an extraordinary shareholders' meeting.

The Audit Committee shall have the right to propose to the board of directors the convening of an extraordinary shareholders' meeting of shareholders, and shall submit such proposal to the board of directors in writing.

Proposals and Notices at Shareholders' Meetings

The content of proposals to the shareholders' meeting shall fall within the scope of authority of the shareholders' meeting, have clear agenda items and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association.

Where the Company convenes a shareholders' meeting, the board of directors, the Audit Committee, and shareholders holding individually or collectively more than 1% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders holding individually or collectively more than 1% of the Company's shares may submit ad hoc proposals in writing to the convener at least 10 days prior to the shareholders' meeting. Such ad hoc proposals shall contain clear agenda items and specific resolution matters. The convener shall issue a supplementary notice to shareholders within two days of receiving the proposal, announcing the content of the ad hoc proposal and submitting it for consideration at the shareholders' meeting, except where the ad hoc proposal contravenes laws, administrative regulations, or the Articles of Association, or falls outside the scope of the shareholders' meeting's authority. The Company shall not raise the shareholding threshold for shareholders submitting ad hoc proposals.

Except as provided in the preceding paragraph, after issuing the notice of the shareholders' meeting, the convener shall not amend any proposal already listed in the notice or add new proposals.

Proposals not listed in the notice of the shareholders' meeting or those do not comply with the provisions of these Articles of Association shall not be voted on or resolved by the shareholders' meeting.

The convener shall notify all shareholders by way of public announcement at least 20 days prior to an annual shareholders' meeting, and at least 15 days prior to an extraordinary shareholders' meeting. When calculating the commencement of the aforementioned "20 days" or "15 days", the Company shall exclude the day of the meeting itself but include the day on which the notice is issued.

Once notice of the shareholders' meeting has been issued, the meeting shall not be postponed or cancelled without justifiable cause, nor shall any proposal listed in the notice be withdrawn. Should postponement or cancellation occur, the convener shall announce the reason at least 2 working days prior to the original meeting date. If the securities regulatory rules of the place where the Company's shares are [**REDACTED**] contain specific provisions regarding procedures for postponing or cancelling shareholders' meetings, such rules shall prevail provided they do not contravene regulatory requirements in mainland China.

Convening of shareholders' meetings

All shareholders registered on the record date or their proxies shall have the right to attend the shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations, the regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association. Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

At the convening of the shareholders' meeting, all directors and the secretary to the board of directors shall attend. Other senior management personnel shall attend as non-voting participants and shall be available to address shareholders' enquiries.

The shareholders' meeting shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to perform or fails to perform their duties, a director shall be jointly nominated by a majority of the directors to preside.

Shareholders' meetings summoned by the Audit Committee on its own initiative shall be presided over by the principal member of the Audit Committee (the convener). Where the principal member of the Audit Committee is unable or fails to perform their duties, a member of the Audit Committee jointly nominated by a majority of the Audit Committee members shall preside over the meeting.

Shareholders' meetings summoned by shareholders on their own initiative shall be presided over by the convener or their appointed representative.

Should the meeting chair violate the rules of procedure during a shareholders' meeting, rendering the meeting unable to proceed, the shareholders' meeting may, with the consent of shareholders holding a majority of the voting rights present, elect another individual to act as the meeting chair and continue proceedings.

Voting and Resolutions of shareholders' meetings

Resolutions of the shareholders' meeting shall be classified as ordinary resolutions or special resolutions.

An ordinary resolution of the shareholders' meeting shall be passed by more than half of the voting rights held by shareholders present at the meeting.

Special resolutions of the shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders present at the meeting.

The following matters shall be adopted by an ordinary resolution of the shareholders' meeting:

(i) the work report of the board of directors;

(ii) the profit distribution plan and loss compensation plan proposed by the board of directors;

(iii) appointment, removal, remuneration and payment methods of members of the board of directors;

(iv) other matters within the authority of the shareholders' meeting, except where special resolutions are required by laws, administrative regulations, these Articles of Association, or the unanimous consent of all shareholders.

The following matters shall be adopted by a special resolution of the shareholders' meeting:

(i) increase or decrease in the Company's registered capital;

(ii) division, spin-off, merger, dissolution and liquidation of the Company;

(iii) amendments to these Articles of Association;

(iv) where the aggregate value of major assets purchased or sold by the Company, or guarantees provided to third parties within one year exceeds 30% of the Company's most recent audited total assets;

(v) share incentive schemes;

(vi) matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, or these Articles of Association; and other matters determined by the shareholders' meeting through an ordinary resolution as having a material impact on the Company, and is to be adopted by a special resolution.

Shareholders (including proxies) shall exercise voting rights in proportion to the number of shares with voting rights they represent, with each share carrying one vote.

When the shareholders' meeting considers significant matters affecting the interests of small and medium-sized investors, the votes of such investors shall be counted separately. The results of such separate counting shall be promptly disclosed.

Shares of the Company held by the Company itself shall carry no voting rights, and such shares shall not be counted towards the total number of shares carrying voting rights present at the shareholders' meeting.

Pursuant to applicable laws, regulations, and the Hong Kong Listing Rules, where any shareholder is required to abstain from voting on a particular resolution, or where any shareholder is restricted to voting only in favor of (or against) a particular resolution, votes cast by such shareholder or their representative in contravention of such requirements or restrictions shall not be counted.

When the shareholders' meeting considers connected/related party transactions, connected shareholders/related party shareholders (shareholders constituting connected persons) shall not participate in the voting, and the number of shares with voting rights represented by them shall not be counted towards the total valid votes. The resolution of the shareholders' meeting shall fully disclose the voting results of non-connected shareholders/related party shareholders.

Prior to the consideration of connected/related party transactions by the shareholders' meeting, the Company shall determine the scope of connected shareholders in accordance with relevant laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are [**REDACTED**]. Related party/connected shareholders shall

also disclose their related party/connected relationships to the Company's board of directors before the convening of the shareholders' meeting. Related party/connected shareholders or their authorized representatives may attend shareholders' meetings and may, in accordance with meeting procedures, explain their views to attending shareholders. However, they shall proactively abstain from voting on matters concerning related party/connected transactions and shall not participate in the voting process. Should a related party/connected shareholder fail to proactively abstain, other attending shareholders shall have the right to request their abstention.

Following abstention of related party/connected shareholder, other shareholders shall vote according to their voting rights, and resolutions shall be adopted in accordance with these Articles of Association. Prior to voting on related party/connected transactions, the meeting chair shall announce the number of non-related party/non-connected shareholders present and the aggregate voting rights they hold.

Resolutions passed by the shareholders' meeting concerning related party/connected transactions shall only be valid if approved by a majority of the voting rights held by non-related party/non-connected shareholders present at the meeting. However, where such related party/connected transactions involve matters require to be adopted by a special resolution under these Articles of Association, the resolution of the shareholders' meeting shall only be valid if approved by at least two-thirds of the voting rights held by non-related party/non-connected shareholders present at the meeting.

Where a related party/connected shareholder participates in voting on a related party/connected transaction in contravention of this provision, their vote on such related party/connected transaction shall be deemed invalid.

When considering a proposal, the shareholders' meeting shall not amend the proposal. Should any alteration be made, it shall be deemed a new proposal and shall not be put to the vote at that specific shareholders' meeting.

Each voting right may only be exercised through one of the following methods: on-site (where applicable), online or other designated means. Where duplicate votes are cast for the same voting right, the result of the first vote shall prevail.

BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiry of their term. The term of office for directors shall be three years, and they may be re-elected upon expiry of their term.

The term of office of a director shall commence on the date of assumption of office and shall continue until the expiry of the current term of the board of directors. Should a director's term expire without timely re-election, the original director shall continue to perform their duties in accordance with the provisions of laws, administrative regulations, and these Articles of Association until the newly elected director assumes office.

Directors may concurrently serve as senior management personnel, provided that the aggregate number of directors holding such concurrent senior management personnel positions shall not exceed one-half of the total number of directors of the Company.

The Company does not have employee representative directors for the time being.

Directors shall comply with laws, administrative regulations and these Articles of Association, owe a duty of loyalty to the Company, shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their authority to seek improper benefits.

Directors shall comply with laws, administrative regulations and these Articles of Association, and owe a duty of diligence to the Company. In performing their duties, they shall exercise the reasonable care ordinarily expected of a manager acting in the best interests of the Company.

A director may resign before the expiry of their term. The director shall submit a written resignation report to the Company. The resignation shall take effect on the date the resignation report is served on the Company, and the Company shall disclose the relevant circumstances within two trading days. If the resignation of a director results in the number of members of the board of directors falling below the statutory minimum, the original director shall continue to perform their duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, and these Articles of Association until the newly elected director assumes office.

The shareholders' meeting may resolve to remove a director, with such removal taking effect on the date of the resolution.

No director may act in the name of the Company or the board of directors in a personal capacity without provision in these Articles or lawful authorization by the board of directors. Where a director acts in a personal capacity, and a third party would reasonably believe the director is acting on behalf of the Company or the board of directors, the director shall declare their position and identity beforehand.

Where a director causes damage to others in the performance of duties of the Company, the Company shall bear liability for compensation; where such director acts with willful intent or gross negligence, they shall also bear liability for compensation. Where a director violates laws, administrative regulations, departmental rules, or these Articles of Association in performing duties of the Company, causing loss to the Company, they shall bear liability for compensation. The Company shall have independent non-executive directors. Independent non-executive directors shall perform their duties in accordance with relevant laws, regulations, the Hong Kong Listing Rules, and these Articles of Association.

Board of Directors

The Company shall establish a board of directors comprising 9 directors, including 1 chairman of the board of directors elected by a majority vote of all directors. Directors shall be classified as executive directors, non-executive directors, and independent non-executive directors, including 3 independent non-executive directors. The composition and number of directors shall comply with the securities regulatory rules of the place where the Company's shares are [**REDACTED**].

The board of directors shall exercise the following functions and powers:

(i) to summon meetings of the shareholders' meeting and report on its work to the shareholders' meeting;

(ii) to implement resolutions of the shareholders' meeting;

(iii) to determine the Company's business plans and investment proposals;

(iv) to formulate the Company's profit distribution plan and loss compensation plan;

(v) to formulate plans for increasing or decreasing the registered capital, issuing bonds or other securities, and listing of the Company;

(vi) to draft proposals for major acquisitions of the Company, acquisition of the Company's shares, or merger, division, dissolution, and change of corporate form;

(vii) to decide, within the scope authorized by the shareholders' meeting, on matters such as the Company's external investment, acquisition and sales of assets, asset mortgage, external guarantees, entrusted wealth management, related party/connected transactions and external donations, etc.;

(viii) to decide on the setup of the Company's internal management organizations;

(ix) to decide on the appointment or dismissal of the Company's general manager, the secretary to the board of directors, and other senior management personnel, and deciding on their remuneration and matters in relation to rewards and punishments; based on the nomination of the general manager, to appoint or dismiss the Company's deputy general managers, chief science officer, financial controller and other senior management personnel, and deciding on their remuneration and matters in relation to rewards and punishments;

(x) to formulate the Company's basic management systems;

(xi) to formulate plans for amendments to the Articles of Association;

(xii) to manage the Company's information disclosure matters;

(xiii) to propose to the shareholders' meeting the appointment or replacement of the accounting firm responsible for the Company's audit;

(xiv) to receive work reports from the Company's general manager and to inspect the work performance of the general manager;

(xv) to consider transaction matters stipulated in these Articles of Association;

(xvi) to alter the applicable accounting standards for any group company (including changes to the accounting period).

(xvii) to implement any share/equity incentive schemes, share/equity sharing programs, or similar arrangements within any group company, including but not limited to approving the participants, quantity, type, exercise price, and exercise period of incentive shares, equity interests and options;

(xviii) to consider and approve the initiation of any project within any group company with a total research and development budget exceeding RMB100 million;

(xix) to establish or adjust the composition and scope of authority of any committee established under the board of directors of any group company;

(xx) other powers conferred by laws, administrative regulations, departmental rules, regulatory requirements of the place where the Company's shares are [**REDACTED**], these Articles of Association, or the shareholders' meeting.

Matters exceeding the scope of authorization granted by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

The chairman of the board of directors shall exercise the following powers:

(i) to presiding over shareholders' meetings, to summon and preside over meetings of the board of directors;

(ii) to supervise and inspect the implementation of resolutions of the board of directors;

(iii) to sign shares of the Company, as well as bonds and other securities of the Company;

(iv) to sign important documents of the board of directors and other documents required to be signed by the chairman of the board of directors of the Company;

(v) to exercise other powers delegated by the board of directors.

The board of directors shall convene at least four regular meetings annually, summoned by the chairman of the board of directors. Written notice of each meeting shall be given to all directors at least 14 days prior to the meeting date. Should the chairman of the board of directors be unable or unwilling to perform their duties, a director shall be jointly appointed by a majority of directors to fulfil such duties.

Shareholders representing not less than 1/10 of the voting rights, not less than 1/3 of the directors, or the Audit Committee may propose the convening of an extraordinary meeting of the board of directors. The chairman of the board of directors shall summon and preside over the meeting of the board of directors within 10 days of receiving such a proposal.

A meeting of the board of directors shall only be held if attended by a majority of directors. Resolutions of the board of directors shall be passed by a majority of all directors; when considering external guarantee matters within the authority of the board of directors, approval by two-thirds or more of the directors present shall also be required.

Independent Non-Executive Directors

As members of the board of directors, Independent Non-Executive Directors shall owe the duties of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

(i) to participate in the decision-making of the board of directors and express clear opinions on matters under discussion;

(ii) to oversee potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors, or senior management personnel, safeguarding the legitimate rights and interests of mid-sized and minority shareholders;

(iii) to provide professional and objective advice on the Company's business development to enhance the quality of decision-making of the board of directors;

(iv) Other duties prescribed by laws, administrative regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are [**REDACTED**], relevant regulatory authorities, and these Articles of Association.

Independent non-executive directors shall exercise the following special functions and powers:

(i) to independently engage intermediaries to conduct audits, consultations or verifications on specific matters of the Company;

(ii) to propose to the board of directors the convening of extraordinary shareholders' meetings;

(iii) to propose the convening of meetings of the board of directors;

(iv) to publicly solicit shareholders' rights in accordance with the law;

(v) to express independent opinions on matters that may prejudice the interests of the Company or minority shareholders;

(vi) Other functions and powers as prescribed by laws, administrative regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are [**REDACTED**], relevant regulatory authorities and these Articles of Association.

Where an independent non-executive director exercises the powers listed in items (i) to (iii) of the preceding paragraph, such exercise shall be subject to the approval of a majority of all independent non-executive directors.

The Company shall promptly disclose the exercise of the aforementioned powers by independent non-executive directors. If such functions and powers cannot be properly exercised, the Company will disclose the specific circumstances and reasons.

Specialized Committees of the Board of Directors

The board of directors shall establish an Audit Committee. The Audit Committee shall comprise at least three directors, all of whom shall be non-executive directors.

The Audit Committee shall be responsible for reviewing the Company's financial information and the disclosure thereof, as well as supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the board of directors for consideration after being approved by a majority of all members of the Audit Committee:

(i) the disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(ii) the engagement or dismissal of the accounting firm undertaking the audit of the listed company;

(iii) the appointment or dismissal of the listed company's financial controller;

(iv) changes to accounting policies or estimates, or corrections of material accounting errors, arising from reasons other than amendments to accounting standards;

(v) other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are [**REDACTED**], relevant regulatory authorities, and these Articles of Association.

The Nomination Committee shall be responsible for formulating selection criteria and procedures for directors and senior management personnel, screening and reviewing candidates and their qualifications, and making recommendations to the board of directors.

Where the board of directors does not adopt or fully adopt the recommendations of the Nomination Committee, the resolution of the board of directors shall record the opinion of the Nomination Committee and the specific reasons for non-adoption, and such information shall be disclosed.

Independent non-executive directors shall constitute a majority of the Nomination Committee, which shall include at least one director of a different gender, and the chairman (i.e., the convener) shall be an independent non-executive director or the chairman of the board of directors.

The Remuneration and Assessment Committee shall be responsible for formulating assessment criteria for directors and senior management personnel and conducting assessments; formulating and reviewing remuneration policies and schemes for directors and senior management personnel, including remuneration determination mechanisms, decision-making processes, payment, stop-payment and recovery arrangements; and making recommendations to the board of directors.

Senior management personnel

The Company shall have 1 general manager, appointed or removed by the board of directors. The Company shall have several deputy general managers, the specific number of whom shall be determined by the board of directors based on the Company's operational circumstances. Deputy general managers shall be appointed or removed by the board of directors.

The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

(i) to preside over the Company's production and operational management, organizing the implementation of resolution of the board of directors, and reporting work to the board of directors;

(ii) to organize the implementation of the Company's annual business plan and investment proposals;

(iii) to draft proposals for the establishment of the Company's internal management structures;

(iv) to draft the Company's basic management systems;

(v) to formulate the Company's specific regulations;

(vi) to propose to the board of directors the appointment or dismissal of the Company's deputy general manager, chief scientific officer and financial controller;

(vii) to decide on the appointment or dismissal of management personnel, except for those whose appointment or dismissal is determined by the shareholders' meeting or the board of directors;

(viii) to exercise other powers conferred by these Articles of Association or by the board of directors.

The Company shall have a secretary to the board of directors responsible for preparing meetings of the shareholders' meeting and those of the board of directors, safeguarding documents, managing shareholders' information of the Company and handling information disclosure matters.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations, and the provisions of relevant national authorities. Where the securities regulatory authority of the place where the Company's shares are [**REDACTED**] has separate provisions, those provisions shall prevail.

When distributing the current year's after-tax profits, the Company shall allocate 10% of the profits as statutory reserves. Where the accumulated amount of statutory reserves reaches 50% or more of the Company's registered capital, no further allocation shall be required.

Where the statutory reserve is insufficient to cover losses incurred in prior years, such losses shall be offset against the current year's profits before the statutory reserve is allocated in accordance with the preceding paragraph.

After allocation of the statutory reserve from after-tax profits, the Company may, upon resolution by the shareholders' meeting, allocate discretionary reserves from the remaining after-tax profits.

Any after-tax profits remaining after covering losses and allocation of reserves shall be distributed in proportion to the paid-in shares held by the shareholders, if the Company's shareholders' meeting decides to allocate.

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law or the provisions of the preceding paragraph, the shareholders shall return the profits distributed in violation of the regulations to the Company; if losses are caused to the Company, the shareholders and responsible directors and senior management personnel shall assume the liability for compensation.

The Company's shares held by the Company itself shall not be entitled to profit distribution.

The Company's reserves shall be used to compensate losses, expand production and operations, or be converted to increase the Company's registered capital.

When utilizing reserves to compensate losses, discretionary reserves and statutory reserves shall be utilized first; if the losses remain uncompensated, capital reserves may be utilized in accordance with regulations.

When statutory reserves are converted to increase registered capital, the retained amount of such reserves shall not be less than 25% of the Company's registered capital prior to the conversion.

Following the resolution of the shareholders' meeting on the profit distribution plan, or the board of directors' formulation of a specific plan based on the interim dividend conditions and upper limits approved by the annual shareholders' meeting for the following year, the distribution of dividends (or shares) must be completed within two months.

After compensating losses from the preceding year with the Company's after-tax profits, distributions shall be made in the following order:

(i) allocation of statutory reserves;

(ii) upon resolution by the shareholders' meeting, allocation of discretionary reserves;

(iii) payment of dividends to shareholders upon resolution of the shareholders' meeting.

Engagement of the Accounting Firm

The Company shall engage an accounting firm meeting the requirements of the Securities Law of the People's Republic of China to conduct audits of financial statements, verification of net assets, and other relevant advisory services. The engagement period shall be 1 year, subject to renewal.

The engagement of an accounting firm must be decided by the shareholders' meeting; the board of directors shall not appoint an accounting firm prior to such decision.

The audit fees payable to the accounting firm shall be determined by the shareholders' meeting.

Notices

Notice of a shareholders' meeting shall be given by way of public announcement. Unless the context otherwise requires, any announcement addressed to H-shareholders or any announcement required to be published in Hong Kong under relevant regulations and these Articles of Association shall be published on the Company's website, the website of the Hong Kong Stock Exchange, and any other websites as may be specified from time to time under the Hong Kong Listing Rules, in accordance with the relevant requirements of the Hong Kong Listing Rules.

Notice of a meeting of the board of directors shall be given by hand, by post or by electronic mail.

MERGERS, DIVISIONS, CAPITAL INCREASES, CAPITAL REDUCTIONS, DISSOLUTION AND LIQUIDATION

Mergers, divisions, capital increases and capital reductions

A merger of the Company requires the merging parties to sign a merger agreement and prepare a balance sheet and inventory of assets. The Company shall notify creditors within 10 days upon the resolution in relation to the merger is made and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days. The announcement shall also be made on the Hong Kong Stock Exchange's HKEXnews website (www.hkexnews.hk) and the Company's official website in accordance with the securities regulatory rules of the place where the Company's shares are [**REDACTED**]. Creditors may request the Company to repay debts or provide corresponding guarantees within 30 days of receipt of the notice, or within 45 days of the announcement if they have not received the notice.

Upon the division of the Company, its assets shall be divided accordingly. The Company shall prepare a balance sheet and an inventory of assets. The Company shall notify creditors within 10 days upon the resolution in relation to the division is made and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days. The announcement shall also be made on the Hong Kong Stock Exchange's HKEXnews website (www.hkexnews.hk) and the Company's official website in accordance with the securities regulatory rules of the place where the Company's shares are [**REDACTED**]. Where laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are [**REDACTED**] provide otherwise, such provisions shall prevail.

Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify creditors within 10 days upon a resolution of the shareholders' meeting in relation to the reduction of its registered capital is made and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days. The announcement shall also be made on the Hong Kong Stock Exchange's HKEXnews website (www.hkexnews.hk) and the Company's official website in accordance with the securities regulatory rules of the place where the Company's shares are [**REDACTED**]. Creditors may request the Company to repay debts or provide corresponding guarantees within 30 days of receipt of the notice, or within 45 days of the announcement if they have not received the notice. When reducing its registered capital, the Company shall proportionally reduce the capital contributions or shares held by shareholders in accordance with their shareholding ratios, unless otherwise provided by law or these Articles of Association.

When the Company issues new shares to increase its registered capital, shareholders shall not enjoy pre-emptive rights, unless otherwise provided in these Articles of Association or determined by a resolution of the shareholders' meeting.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) its term of business stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association occur;

(ii) a resolution to dissolve is made by the shareholders' meeting;

(iii) dissolution due to merger or division;

(iv) the business license is revoked, the Company is ordered to close down, or its registration is cancelled according to law;

(v) where serious difficulties arise in the Company's operation and management, and continuing to exist would cause major losses to the shareholders' interests, which cannot be resolved through other means, shareholder(s) holding 10% or more of all voting rights of shareholders of the Company may request the People's Court to dissolve the Company.

Where the Company encounters any of the aforementioned grounds for dissolution, it shall, within ten days, disclose the dissolution grounds through the National Enterprise Credit Information Publicity System and, in accordance with the securities regulatory rules of the place where the Company's shares are [**REDACTED**], announce the matter on the Hong Kong Stock Exchange's HKEXnews website (www.hkexnews.hk) and the Company's official website.

Where the Company is dissolved pursuant to the provisions of items (i), (ii), (iv) or (v) above, it shall undergo liquidation. The directors shall be the persons responsible for the liquidation of the Company and shall establish a liquidation group to conduct the liquidation within 15 days of the occurrence of the grounds for dissolution.

During the liquidation period, the liquidation group shall exercise the following powers:

(i) to liquidate the Company's assets and prepare a balance sheet and inventory of assets;

(ii) to notify and make announcements to creditors;

(iii) to handle any outstanding corporate business in relation to the liquidation;

(iv) to settle outstanding tax liabilities and taxes incurred during the liquidation process;

(v) to liquidate debts and claims;

(vi) to distribute the residual assets of the Company after settling its debts;

(vii) to represent the Company in civil litigation proceedings.

After liquidating the Company's assets, preparing the balance sheet and inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

Amendment of the Articles of Association

The Company shall amend these Articles of Association in any of the following circumstances:

(i) where provisions of these Articles of Association conflict with amendments to the Company Law, relevant laws, administrative regulations, or the Hong Kong Listing Rules;

(ii) where the circumstances of the Company change and become inconsistent with the matters recorded in these Articles of Association;

(iii) where the shareholders' meeting resolves to amend these Articles of Association.

Where amendments to the Articles of Association approved by the shareholders' meeting require approval from the competent authority, such amendments shall be submitted to the competent authority for approval; where they involve company registration matters, the relevant registration changes shall be processed in accordance with the law.

The board of directors shall amend these Articles of Association in accordance with the resolution of the shareholders' meeting and the approval opinions of the relevant competent authorities.

Where amendments to the Articles of Association constitute information required to be disclosed under laws, regulations or the Hong Kong Listing Rules, such amendments shall be announced in accordance with the requirements.

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company was established as a limited liability company in the PRC on August 17, 2017 and was converted into a joint stock limited company with limited liability on September 8, 2023 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB23,203,346.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on September 26, 2025. Mr. Ng Tung Ching Raphael (吳東澄), one of our joint company secretaries, has been appointed as the authorized representative in Hong Kong and our agents for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our 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 "Summary of Articles of Association" in Appendix III.

Changes in Share Capital of Our Company

Save as disclosed in the section headed "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants' Report in Appendix I. There had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders

Pursuant to the Shareholders' resolutions dated September 16, 2025, among other things, our Shareholders resolved that:

(a) the [**REDACTED**] of the Shares with nominal value of RMB1.00 each on the basis of [**REDACTED**] effective immediately prior to the [**REDACTED**], and taking into account the [**REDACTED**], the issue of H Shares of nominal value of RMB[**REDACTED**] each and such H Shares be [**REDACTED**] on the Stock Exchange;

(b) the number of H Shares to be issued shall not be more than [**REDACTED**]% of the total issued Share capital of our Company as enlarged by the [**REDACTED**], and the grant to the [**REDACTED**] (or their representatives) of the [**REDACTED**] of not more than [**REDACTED**]% of the number of H Shares issued pursuant to the [**REDACTED**];

(c) subject to the filing procedure with the CSRC, upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares (taking into account the [**REDACTED**]) in aggregate 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 authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(e) authorization of the Board or its authorized person(s) to handle matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of the H Shares.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that are or may be materials:

(a) [**REDACTED**].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Number	Owner	Date of Registration	Place of Registration
1. . .		76781524	The Company	May 21, 2025	China
2. . .	先为达	45516503	The Company	July 12, 2021	China
3. . .	SCIWIND	45512563	The Company	July 12, 2021	China
4. . .	SciwindBio	61760935	The Company	June 21, 2022	China

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.

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1. . .	www.sciwind.com.cn	The Company	October 13, 2017	October 12, 2029
2. . .	www.sciwindbio.com	Sciwind USA	May 31, 2022	May 31, 2030

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed "Substantial Shareholders", immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Interests of the substantial shareholders in the Shares

Save as disclosed in "Substantial Shareholders", immediately following the completion of the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the [**REDACTED**], our Directors are not aware of any other person (not being a Director or chief executive of our Company) 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.

Interests of the substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any persons who would, immediately following the completion of the [**REDACTED**], be directly or indirectly interested in 10% or more of the issued voting shares of the following member of our Group (other than our Company).

Particulars of Directors' Service Contracts

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company. Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 9 to the Accountants' Report set out in Appendix I for the financial years ended December 31, 2024 and 2025, none of our Directors received other remunerations of benefits in kind from us.

Disclaimers

Save as disclosed in this Document:

(a) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group; and

(b) none of our Directors or any of the parties listed in "Qualifications of Experts" in this Appendix is:

i. interested in our promotion, 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 us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

PRE-[REDACTED] EQUITY INCENTIVE PLANS

The following is a summary of the principal terms of the Pre-[**REDACTED**] Equity Incentive Plans, which was adopted by the Company in August 2020, December 2021 and September 2025, respectively. Given the underlying Shares under the Pre-[**REDACTED**] Equity Incentive Plans had already been issued, there will not be any dilution effect to the issued share capital at our Company. No further award under the Pre-[**REDACTED**] Equity Incentive Plans will be granted after the [**REDACTED**].

Under the Pre-[**REDACTED**] Equity Incentive Plans, Eligible Participants (as defined below) were granted partnership interests in Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida ("**Awards**"), collectively our Employee Incentive Platforms. Beijing Heweida, Shanghai Xiankeda and Hangzhou Shiweida had, in turn, subscribed for [1,354,999] Shares, [255,102] Shares and [1,152,304] Shares (without taking into account the [**REDACTED**]), representing approximately [5.84]%, [1.10]% and [4.97]% of our total issued Shares as at the Latest Practicable Date, respectively. All awards under the Pre-[**REDACTED**] Equity Incentive Plans will be granted prior to [**REDACTED**].

Purpose

The main purpose of the Pre-[**REDACTED**] Equity Incentive Plans is to improve the incentive mechanism of the Group, further enhance the sense of responsibility and mission of the participants thereto (the "**Eligible Participants**"), promote the continued growth of the performance of the Group, and bring economic benefits to the Eligible Participants while enhancing the value of the Group, so as to realize the common development of the Eligible Participants and the Group.

Administration

Beijing Yangyuan, a limited liability company incorporated in the PRC and wholly owned by Dr. Pan, as the sole general partner of each of the Employee Incentive Platforms, is responsible for the administration of each Employee Incentive Platform and may exercise the voting rights attaching to the Shares held by them, in accordance with the partnership agreements entered in to among the partners of each Employee Incentive Platform.

Eligible Participants

Persons eligible to participate in the Pre-[**REDACTED**] Equity Incentive Plans are the employees of our Group, including but not limited to Directors, senior management, employees, and other personnel of the Group, who have made contribution to the development of the Group (individually and collectively, the "**Eligible Participant(s)**").

Form of the Pre-[REDACTED] Equity Incentive Plans

The Eligible Participants, as partners of the Employee Incentive Platforms, which are in the form of limited partnerships, shall subscribe for partnership interests of the Employee Incentive Platforms as partners according to the number of awards vested under the Pre-[**REDACTED**] Employee Incentive Plans, thereby indirectly holding the Shares of our Company by virtue of their capacity as a limited partner of the relevant Employee Incentive Platform.

Term

The Pre-[**REDACTED**] Equity Incentive Plans shall take effective from the date of being approved at the Shareholders' general meeting to the date when all underlying Shares of the awards are repurchased or sold under the Pre-[**REDACTED**] Equity Incentive Plans, subject to the decision of the Administrator, not exceeding 10 years.

Transfer Restrictions

Except for circumstances specified under the terms of the Pre-[**REDACTED**] Equity Incentive Plans, no Eligible Participant shall in any way transfer his or her partnership interest under the Pre-[**REDACTED**] Equity Incentive Plans, within five years from the date of the payment of capital contribution of the Eligible Participants.

The Awards shall subject to transfer restrictions and such restrictions shall be released from transfer restrictions in five trenches, from the first anniversary of the [**REDACTED**] to the fifth anniversary of [**REDACTED**] (the "**Time-Based Release Schedule**").

In addition to the Time-Based Release Schedule sets forth above, the release of the Awards shall be further subject to the achievement of the certain performance targets of the Company and the grantee respectively.

Details of interests in the Employee Incentive Platforms

As of the Latest Practicable Date, all partnership interests in the Employee Incentive Platforms have been subscribed by and fully paid up by the grantees. As of the Latest Practicable Date, Awards corresponded to a total of [2,762,405] Shares (without taking into account the [**REDACTED**]), representing approximately [11.91]% of our total issued Shares, have been granted and fully vested, without assuming the [**REDACTED**] has completed. All awards under the Pre-[**REDACTED**] Equity Incentive Plans will be granted prior to [**REDACTED**]. No further Awards will be granted after the [**REDACTED**] and the Pre-[**REDACTED**] Equity Incentive Plans will not cause any dilution of the shareholding of our Shareholders after the [**REDACTED**].

Details of the Awards granted to Directors and senior management of our Company, and connected persons of the Company under the Pre-[**REDACTED**] Equity Incentive Plans are set out below:

Name	Position(s)	Relevant Employee Incentive Platforms	Approximate partnership interests in the relevant Employee Incentive Platform	Approximate number of Shares corresponding to awards granted to the grantees (without taking into account [REDACTED])[(1)]	Approximate shareholding percentage of total issued Shares immediately prior to the [REDACTED][(2)]
Directors					
Dr. Pan	Executive Director	Beijing Heweida	74.50%	1,009,474	4.35%
Dr. Wu Xinle (吳心樂)	Executive Director and chief scientific officer	Hangzhou Shiweida	14.55%	167,660	0.72%
Mr. Li Yao (李堯)	Executive Director and deputy general manager	Beijing Heweida	3.69%	49,999	0.22%
		Hangzhou Shiweida	2.17%	25,005	0.11%
Mr. Han Baolei (韓葆磊)	Executive Director and deputy general manager	Hangzhou Shiweida	5.21%	60,035	0.26%
Yang Liu (楊柳)	Executive Director and project director	Beijing Heweida	2.58%	34,959	0.15%
		Hangzhou Shiweida	0.43%	4,955	0.02%
Senior management					
Ms. Tong Jinling (童金玲)	Board secretary, director of external affairs and joint company secretary	Hangzhou Shiweida	4.34%	50,010	0.22%
Mr. Yu Bing (余兵)	Financial director	Hangzhou Shiweida	3.47%	39,985	0.17%

Name	Position(s)	Relevant Employee Incentive Platforms	Approximate partnership interests in the relevant Employee Incentive Platform	Approximate number of Shares corresponding to awards granted to the grantees (without taking into account [REDACTED])[(1)]	Approximate shareholding percentage of total issued Shares immediately prior to the [REDACTED][(2)]
Connected persons					
Ms. Li Li (李莉)	Spouse of Dr. Pan	Hangzhou Shiweida	3.47%	39,985	0.17%
Ms. Fu Chunmei (付春梅)	Supervisor of Shanghai Sciwind	Beijing Heweida	1.85%	25,067	0.11%
		Hangzhou Shiweida	0.43%	4,955	0.02%
Mr. Lan Bo (蘭博)	Supervisor of Beijing Sciwind	Shanghai Xiankeda	4.90%	12,500	0.05%
Other Grantees					
eight employees . .	–	Beijing Heweida	9.60%	130,080	0.56%
29 employees . . .	–	Shanghai Xiankeda	91.78%	234,133	1.01%
16 employees . . .	–	Hangzhou Shiweida	34.13%	393,266	1.70%

Notes:

(1) For illustrating the indirect interests of grantees in the Shares, the number of Shares are presented and calculated by multiplying their respective percentage of partnership interests in the relevant Employee Incentive Platform by the total number of Shares held by the relevant Employee Incentive Platform, without taking into account the [**REDACTED**].

(2) Approximately one third of the Unlisted Shares held by the relevant Employee Incentive Platform will be converted into H Shares, subject to the relevant regulatory approvals and registration.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

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 was known to our Directors to be pending or threatened. We have not incurred any material preliminary expenses by or against any member of our Group, that would have a material and adverse effect on our results of operations or financial conditions, taken as a whole.

Preliminary Expenses

As of the Latest Practicable Date, we have not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all of the 24 then Shareholders as of May 31, 2023 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.

Taxation of Holders of H Shares

The [**REDACTED**] in H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, being the end of the period reported on the Accountants' Report included in Appendix I; and there has been no event since December 31, 2025 and up to the date of this Document which would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
Morgan Stanley Asia Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Zhong Lun Law Firm	PRC legal adviser

Name	Qualification
JunHe LLP Shanghai Office	Legal advisers to our Company as to PRC intellectual property laws
JunHe Law Office, P.C.	Legal advisers to our Company as to U.S. intellectual property laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, 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.

Consents of Experts

Each of the experts as referred to "Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

Joint Sponsors' Independence

Joint Sponsors satisfy the independence criteria applicable to the sponsors set out in Rule 3A.07 of the Listing Rules. Pursuant to the engagement letters entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to the Joint Sponsors in respect of its service as the sponsors in connection with the [**REDACTED**] on the Stock Exchange is US$1,000,000 in aggregate.

Binding Effect

This Document shall have the effect, if an [**REDACTED**] is made in pursuance of it, 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 so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

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 the material contract[s] referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contract"; and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.sciwind.com.cn** during 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 audited consolidated financial statements of our Group for the two years ended December 31, 2025;

(c) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I;

(d) the report from Ernst & Young on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II;

(e) the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contract";

(f) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts";

(g) a copy of the following PRC laws, together with unofficial English translations:

  (i) the PRC Company Law;

  (ii) the PRC Securities Law; and

  (iii) the Overseas Listing Trial Measures;

(h) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — Further Information about our Directors, Chief Executive and Substantial Shareholders — Particulars of Directors' Service Contracts";

(i) the legal opinions issued by Zhong Lun Law Firm, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

(j) the legal opinions issued by JunHe LLP Shanghai Office and JunHe Law Office, P.C., our legal advisers as to PRC and U.S. intellectual property law, respectively, in respect of the intellectual property of our Group; and

(k) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in "Industry Overview"