SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full document. You should read this document in its entirety before you decide to [REDACTED] in the H Shares. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the H Shares are set forth in "Risk Factors" of this document. You should read that section carefully before you decide to [REDACTED] in the H Shares.

OVERVIEW

We are a pharmaceutical company with an established track record in drug development and commercialization. Through years of continuous effort, we have established an integrated operational system encompassing the pharmaceutical value chain from R&D and manufacturing to commercialization. Drawing on this foundation, we are actively expanding our capabilities with a strategic focus on innovative drugs targeting major diseases and critical illnesses.

As of the Latest Practicable Date, we had built a portfolio of over ten marketed products and multiple drug candidates encompassing key therapeutic areas including immunology and inflammation, pain management, oncology and other chronic disorders. During the Track Record Period, we generated revenue primarily from the sales of our key marketed products, represented by Xiweina (希为纳®), the only domestically developed sivelestat sodium approved in China, and Zuoyu (佐愈®), China's first domestically developed Category II levofolinic acid. Meanwhile, our innovative drug pipeline had steadily gained momentum, including four Category I innovative drugs and three Category II modified new drugs currently under clinical development. For details, see "Business — Our Products."

Our Key Marketed Products

Xiweina 希为纳® (Sivelestat Sodium for Injection)

Sivelestat sodium is currently the only approved drug globally indicated for systemic inflammatory response syndrome ("**SIRS**")-associated acute lung injury ("**ALI**")/acute respiratory distress syndrome ("**ARDS**"). As the first and only domestically developed sivelestat sodium in China according to Frost & Sullivan, Xiweina addresses a critical unmet need in the pharmacological management of ALI/ARDS, offering a treatment option for patients with severe respiratory conditions. We obtained marketing approval for Xiweina as a Category III chemical drug through the NMPA's priority review pathway in March 2020.

Sivelestat sodium has received recommendations from multiple authoritative domestic and international guidelines and expert consensus statements. Clinical evidence demonstrates its multifaceted benefits, including effective improvement of lung injury, enhanced oxygenation index, shortened mechanical ventilation and ICU stay duration, increased patient survival rates, and reduced mortality risk, while maintaining a favorable safety profile and good patient tolerability.

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Zuoyu 佐愈® (Levofolinic Acid for Injection)

With 5-Fluorouracil ("**5-FU**") remaining a cornerstone chemotherapy for colorectal cancer and other gastrointestinal tumors, levofolinic acid meets the growing demand for safer, more effective chemotherapy enhancers. Zuoyu, as China's first domestically developed Category II levofolinic acid according to Frost & Sullivan, is uniquely positioned to capture this opportunity. We obtained marketing approval for Zuoyu from the NMPA in June 2021. With only two sodium levofolinate products approved in China, Zuoyu achieved a market share exceeding 90% in 2024, according to Frost & Sullivan.

Zuoyu's sodium-based formula — unlike traditional calcium salt formulation — enables direct co-infusion with 5-FU, which enhances clinical efficiency while improving overall safety. Meanwhile, its patent-protected freeze-dried powder formulation demonstrates clinically meaningful improvements over the originator drug's solution formulation, including superior purity profile (fewer known and unknown impurities), enhanced stability by circumventing heat-induced degradation during sterilization, and reduced safety risks — all while achieving therapeutic equivalence as a ready-to-use powder with extended shelf life.

Kangmairui 康迈瑞® (Ticagrelor Tablets)

Kangmairui is a generic ticagrelor tablet indicated for patients with acute coronary syndrome ("**ACS**") to reduce the incidence of thrombotic cardiovascular events. Ticagrelor, a blockbuster oral antiplatelet agent, is a direct acting, reversibly binding P2Y12 inhibitor. Notably, ticagrelor demonstrates superior efficacy to clopidogrel by significantly reducing cardiovascular mortality in ACS patients receiving background aspirin therapy, earning first-line recommendation in leading ACS guidelines both domestically and internationally. We obtained marketing approvals for Kangmairui from the NMPA in September 2019 (90mg) and July 2020 (60mg).

Li'erban 利尔班® (Rivaroxaban Tablets)

Li'erban is a generic rivaroxaban tablet indicated for the treatment and prevention of venous thromboembolism ("**VTE**"), including deep vein thrombosis ("**DVT**") and pulmonary thromboembolism ("**PTE**"), providing patients with an affordable, high-quality treatment option. Rivaroxaban tablets are the world's first oral direct Factor Xa inhibitor and among the preferred anticoagulants recommended by both domestic and international clinical guidelines. We obtained marketing approval for Li'erban in China in December 2020.

Dinuo'an 蒂诺安® (Dienogest Tablets)

Dinuo'an is the first domestic generic dienogest tablet to achieve commercialization in China indicated for endometriosis, according to Frost & Sullivan. Dienogest has received first-line recommendation in both domestic and international clinical guidelines for the treatment of endometriosis and related conditions. We obtained marketing approval for Dinuo'an in China in June 2021.

SUMMARY

Our Pipeline

The following chart sets forth the key information of our selected pipeline products as of the Latest Practicable Date, all of which were undergoing clinical trials or preclinical research in China.

	Product Number/ Name	Target/Mechanism of Action	Registration Category	Indications	Pre-clinical	IND Application	Phase I	Phase II	Pivotal/ Phase III	NDA Marketing Approval	Upcoming Milestone
Pain	HL-1186★	Nav1.8	Category I	Moderate-to-severe postoperative acute pain				(1)			Phase IIb trial initiation: 2026Q2
				DPNP							Phase II trial completion: 2027H1
				Osteoarthritis pain							Phase II trial initiation: 2026H2
Immunology and inflammation	YD0293★	DPP1	Category I	CRSsNP							Phase IIa trial completion: 2026Q2
	H057★	Neutrophil Elastase	Category II	Moderate-to-severe CAP							Phase II trial initiation: 2027H1
				Acute exacerbation of bronchiectasis							Phase II trial completion: 2027H2
	YD0743	Undisclosed	Category I	Sepsis							Phase II trial completion: 2027H2
				PALI							Phase II trial initiation: 2027H1
	YD6390	PDE4B	Category I	IBD							Phase I trial completion: 2026Q2
Other chronic conditions	H077	α 1A–adrenergic receptor	Category II	BPH							Phase III trial completion: 2028H1
	H062	ARNI/ARB/ CCB	Category II	Resistant hypertension							Phase III trial completion: 2027H1
	HL-2626	5-HT2A receptor	Category I	MDD/TRD							IND submission: 2026H2
	azisartan and amlodipine tablet	ARB/CCB	Category III	Resistant hypertension							Commercial launch
	dienogest tablet	PGR	Category III	Adenomyosis							Market approval: 2026H2
	relugolix tablet	GnRHR	Category III	Uterine fibroids							ANDA submission: 2026Q2

★ Key Products

Abbreviations: 5-HT2A receptor = 5-hydroxytryptamine receptor 2A; ANDA = Abbreviated New Drug Application; ARB = Angiotensin-Receptor Blocker; ARNI = Angiotensin Receptor Neprilysin Inhibitor; BPH = Benign Prostatic Hyperplasia; CAP = Community-Acquired Pneumonia; CCB = Calcium Channel Blocker; CRSsNP = Chronic Rhinosinusitis without Nasal Polyps; DPNP = Diabetic Peripheral Neuropathic Pain; DPP1 = Dipeptidyl-Peptidase 1; GnRHR = Gonadotropin-Releasing Hormone Receptor; IBD = Inflammatory Bowel Disease; IND = Investigational New Drug; Nav1.8 = Voltage-Gated Sodium Channel 1.8; MDD = Major Depressive Disorder; NDA = New Drug Application; PALI = Postoperative Acute Lung Injury; PDE4B = Phosphodiesterase 4B; PGR = Progesterone Receptor; TRD = Treatment-Resistant Depression

Note:

(1) For postoperative acute pain, we have completed two clinical trials: (i) a Phase IIa trial in postoperative acute pain in January 2026, and (ii) a Phase IIa trial in acute pain following abdominal surgery in March 2026. We plan to initiate two Phase IIb trials for postoperative acute pain focusing on abdominal and orthopedic surgeries, respectively, in the second quarter of 2026.

Our key pipeline products include:

HL-1186: Novel Nav1.8 inhibitor to treat acute and chronic pain

HL-1186 is a Category I innovative drug candidate and a highly selective voltage-gated sodium channel 1.8 ("**Nav1.8**") inhibitor. As a novel non-opioid analgesic, it represents a therapeutic advancement by targeting Nav1.8 — a key pain-signaling channel located predominantly in peripheral nerves and are minimally expressed in the brain — thereby avoiding interference with central nervous system ("**CNS**") functions or cardiac channels. HL-1186 is China's first Nav1.8 inhibitor undergoing clinical studies targeting both acute and chronic pain indications, according to Frost & Sullivan.

SUMMARY

No Nav1.8 inhibitor had been approved in China as of the Latest Practicable Date. Suzetrigine (VX-548) was the only Nav1.8 inhibitor approved globally for the treatment of moderate-to-severe acute pain, demonstrating both the efficacy and broad-spectrum potential of Nav1.8-targeted analgesia. HL-1186 shares structural characteristics with new-generation Nav1.8 inhibitors exemplified by VX-548, while exhibiting superior Nav1.8 inhibitory activity and sodium channel selectivity in preclinical studies across multiple pain models. These findings support HL-1186's potential as a best-in-class candidate suitable for safe long-term use in pain management, particularly given the growing demand for effective non-opioid alternatives.

YD0293: Novel clinical-stage DPP1 inhibitor for treating CRS

YD0293, a Category I innovative drug candidate, is currently the only dipeptidyl-peptidase 1 ("**DPP1**") inhibitor under clinical development for the treatment of chronic rhinosinusitis (without nasal polyps) ("**CRSsNP**") worldwide, according to Frost & Sullivan. By inhibiting DPP1, YD0293 can potentially reduce neutrophil-mediated chronic inflammation and lung damage. As of the Latest Practicable Date, no innovative DPP1 inhibitors had been approved in China. Results from YD0293's Phase I trial in healthy subjects showed YD0293's favorable Pharmacokinetic ("**PK**") properties and good drug tolerability in humans.

H057: First and only clinical-stage inhalable sivelestat sodium candidate globally for neutrophil-mediated respiratory disorders

H057 is a Category II modified new drug candidate and the first and only clinical-stage inhalable sivelestat sodium candidate globally, according to Frost & Sullivan. H057 represents a novel modification of Xiweina, our marketed injectable sivelestat sodium product, featuring an inhalable formulation, precise lung delivery route, and expanded respiratory indications. H057's targeted inhalation delivery potentially achieves superior drug concentrations in the respiratory tract, while reducing systemic side effects such as neutrophil-mediated organ damage, gastrointestinal reactions and CNS toxicity. H057 strategically extends sivelestat sodium's therapeutic potential to other neutrophil-mediated respiratory diseases, including bronchiectasis and CAP.

SUMMARY

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have differentiated us from our competitors: (i) we are an innovation-driven pharmaceutical company with market-validated commercialization capabilities, (ii) we have established full-cycle R&D capabilities and proprietary technology platforms underpinned by robust IP protection and talent pool, (iii) we possess integrated API-to-drug product manufacturing capabilities, supported by robust production technologies and quality control systems, (iv) we demonstrate strong market expansion and commercialization capabilities through operational collaboration across our medical, marketing, and sales functions, and (v) our leadership team combines industry experience and deep therapeutic knowledge to advance our long-term innovation. For details, see "Business — Our Competitive Strengths."

OUR DEVELOPMENT STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following development strategies: (i) accelerate the clinical development of our key pipeline products and further enrich our product portfolio, (ii) enhance our commercialization capabilities to drive market expansion, (iii) strengthen our manufacturing capabilities and quality control systems, and (iv) solidify our talent foundation for sustainable growth. For details, see "Business — Our Development Strategies."

RESEARCH AND DEVELOPMENT

We conduct research and development activities primarily through our in-house R&D team, and we engage CROs from time to time to support our preclinical research and clinical trials. As of December 31, 2025, our in-house R&D team consisted of 256 members, approximately 45% of whom held master or doctoral degrees, mainly in biology, pharmacology, pharmacy, chemistry, and medical science. To strengthen our innovation capabilities, we have established two wholly owned subsidiaries specializing in innovative drug development: Shanghai Yidian Pharmaceutical Technology Development Co., Ltd. and Shanghai Yidi Biotechnology Co., Ltd. We have established a drug R&D engine that drives all stages of our innovation processes, encompassing the full spectrum from drug discovery through regulatory approval. For details, see "Business — Research and Development."

MANUFACTURING

We manufacture most of our marketed tablet and capsule products and a substantial majority of APIs in-house. During the Track Record Period, we also produced certain APIs for external sales to third parties. We engage industry-recognized CDMOs to manufacture our injectable products, such as Xiweina and Zuoyu, to supplement our in-house manufacturing capacity, enabling us to optimize resource allocation and maintain cost efficiency. We currently have one manufacturing site in Taizhou, Jiangsu, which comprises production lines for APIs and finished drug products (tablets and capsules). To support our innovative drug development and future commercialization, we are constructing a new manufacturing site in Zhijiang, Hubei. This manufacturing site will be equipped with API production lines and is expected to become operational within the next three years. For details, see "Business — Manufacturing."

SALES AND MARKETING

During the Track Record Period, our revenue was primarily derived from the sales of over ten marketed products, covering a wide range of therapeutic areas including immunology and inflammation, oncology, and other chronic disorders. Our promotional activities are executed primarily by our in-house sales and marketing team. As of December 31, 2025, we had 720 employees in our sales and marketing team. We have also built collaborations with distributors and third-party promoters to enhance the sales performance, brand recognition and market acceptance of our products. For the years ended December 31, 2023, 2024 and 2025, we generated 97.9%, 96.8%, and 94.0% of our total revenue through sales to distributors, respectively. As of December 31, 2025, our distribution network comprised 278 distributors across 31 provinces, autonomous regions, and municipalities in China. For details, see "Business — Sales and Marketing."

SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of third-party promoters, CDMOs and suppliers of raw materials, equipment, and construction services. For the years ended December 31, 2023, 2024 and 2025, our purchases from our five largest suppliers for each year amounted to RMB162.4 million, RMB111.7 million and RMB96.4 million, respectively, accounting for 29.1%, 33.3% and 32.5% of our total purchases for the respective year, and our purchases from our largest supplier for each year amounted to RMB46.4 million, RMB35.5 million and RMB36.6 million, respectively, accounting for 8.3%, 10.6% and 12.3% of our total purchases for the respective year. For details, see "Business — Suppliers."

CUSTOMERS

During the Track Record Period, our customers primarily consisted of our distributors. For the years ended December 31, 2023, 2024 and 2025, revenue from our five largest customers for each year amounted to RMB787.9 million, RMB497.0 million and RMB492.2 million, respectively, accounting for 79.9%, 72.4% and 71.8% of our total revenue for the respective year, and revenue from our largest customer for each year amounted to RMB332.3 million, RMB170.4 million and RMB191.2 million, respectively, accounting for 33.7%, 24.8% and 27.9% of our total revenue for the respective year. For details, see "Business — Customers."

INTELLECTUAL PROPERTY

We have a global portfolio of patents to protect our drug portfolio and technologies. As of the Latest Practicable Date, we owned (i) 107 issued patents, including 74 in Chinese Mainland, four in the U.S., and 29 in other jurisdictions, and (ii) 109 patent applications, including 54 in Chinese Mainland, nine in the U.S., five in Europe, 22 under the Patent Cooperation Treaty ("**PCT**") and 19 in other jurisdictions. For details, see "Business — Intellectual Property."

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our consolidated financial statements, 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

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	984,848	685,575	685,842
Cost of sales	(134,852)	(116,890)	(114,651)
Gross profit	849,996	568,685	571,191
Other net income	3,339	9,609	11,870
Selling and marketing expenses	(476,216)	(365,304)	(375,608)
Research and development expenses	(211,109)	(194,791)	(234,273)
Administrative expenses	(129,423)	(118,020)	(126,483)
(Impairment losses)/reversal of impairment losses on trade and other receivables	(4,044)	(3,098)	2,649
Profit/(loss) from operations	32,543	(102,919)	(150,654)
Finance costs	(11,884)	(20,776)	(23,274)
Profit/(loss) before taxation	20,659	(123,695)	(173,928)
Income tax	—	—	—
Profit/(loss) for the year	**20,659**	**(123,695)**	**(173,928)**

We generated revenue primarily from the sales of our marketed products in China during the Track Record Period. The following table sets forth the sales revenue of our key marketed products in terms of revenue contribution in absolute amounts and as percentages of our total revenue for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Xiweina	745,379	75.7	424,049	61.9	370,057	54.0
Zuoyu	23,499	2.4	25,863	3.8	75,635	11.0
Kangmairui	57,459	5.8	70,125	10.2	53,226	7.8
Li'erban	54,387	5.5	60,751	8.9	43,920	6.4
Dinuo'an	70,972	7.2	72,896	10.6	91,815	13.4
Others[(1)]	33,152	3.4	31,891	4.6	51,189	7.4
Total	**984,848**	**100.0**	**685,575**	**100.0**	**685,842**	**100.0**

Note:

(1) Primarily includes revenue from sales of other products, including Weidagan, Xiaoxiong and Qianweitai, as well as certain APIs.

Our revenue decreased by 30.4% from RMB984.8 million in 2023 to RMB685.6 million in 2024, primarily due to the decrease in revenue from the sales of certain marketed products. In particular, revenue from the sales of Xiweina decreased by 43.1% from RMB745.4 million in 2023 to RMB424.0 million in 2024, primarily reflecting a normalization in clinical demand following the surge in severe lung infection cases during the COVID-19 pandemic. Our revenue remained stable at RMB685.6 million in 2024 and RMB685.8 million in 2025. Specifically, (i) revenue from the sales of Zuoyu increased significantly from RMB25.9 million in 2024 to RMB75.6 million in 2025, primarily driven by our enhanced marketing and promotional efforts in 2025, as well as the normalization of production and delivery volumes following the completion of facility testing and equipment upgrades by our CDMO in 2024, and (ii) revenue from the sales of Dinuo'an increased by 26.0% from RMB72.9 million in 2024 to RMB91.8 million in 2025, primarily attributable to our

strengthened marketing and promotional efforts. These increases were partially offset by the decreases in (i) revenue from the sales of Xiweina from RMB424.0 million in 2024 to RMB370.1 million in 2025, primarily due to the calibration of inventory levels by our distributors and their adoption of a more disciplined procurement approach as market conditions continued to normalize following the COVID-19 pandemic, and (ii) revenue from the sales of other products, including Li'erban and Kangmairui, primarily due to intensified competition within the VBP schemes, resulting in our products' lower sales volume.

Our historical financial performance primarily reflects (i) the revenue contribution of each marketed product in our portfolio and their period-to-period sales fluctuations, (ii) our ability to maintain a stable gross profit margin across our marketed product portfolio, and (ii) our operating expenses and their impact on our profitability. As a result, we experienced fluctuations in our financial performance during the Track Record Period. While we recognized profit of RMB20.7 million for the year ended December 31, 2023, we recognized loss for the years ended December 31, 2024 and 2025, which amounted to RMB123.7 million and RMB173.9 million, respectively. For details regarding our approach to drive revenue growth and enhance our business sustainability and profitability, see "Financial Information — Business Sustainability and Profitability."

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	535,526	577,450	575,482
Total current assets	541,241	553,235	494,256
Total current liabilities	627,641	697,423	456,215
Net current (liabilities)/assets	(86,400)	(144,188)	38,041
Total assets less current liabilities	449,126	433,262	613,523
Total non-current liabilities	155,602	193,981	474,078
Net assets	293,524	239,281	139,445

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated cash flow statements for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash (used in)/generated from operating activities	(37,475)	(155,849)	8,544
Net cash flows used in investing activities	(127,685)	(67,565)	(30,818)
Net cash flows generated from financing activities	102,217	146,329	92,163
Net increase/(decrease) in cash and cash equivalents	(62,943)	(77,085)	69,889
Cash and cash equivalents at beginning of the year	206,925	144,021	66,949
Effect of foreign exchange differences, net	39	13	18
Cash and cash equivalents at the end of the year	144,021	66,949	136,856

SUMMARY

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.

DIVIDEND

During the Track Record Period, we did not declare or pay any dividends. After the completion of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. A proposal to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board. Such proposals will depend on a number of factors, including our results of operations, cash flows, financial condition, cash dividends received from our subsidiaries, business prospects, statutory and regulatory restrictions, and other factors that our Board may consider important. Our Shareholders may approve dividend declarations, subject to our constitutional documents and applicable laws. We do not currently have a formal dividend policy or a fixed dividend payout ratio. For details, see "Financial Information — Dividends."

[REDACTED]

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately [REDACTED] (assuming the [REDACTED] is not exercised), after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document. We currently intend to apply these [REDACTED] for the following purposes: (i) approximately HK$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used for the research and development of our pipeline products, including [REDACTED]% of the [REDACTED] for HL-1186, [REDACTED]% for H057, [REDACTED]% for YD0293, [REDACTED]% for YD0743, [REDACTED]% for YD6390, [REDACTED]% for H077, [REDACTED]% for H062, and [REDACTED]% for other research and development programs; and (ii) approximately HK$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used for working capital and other general corporate purposes. For further details, see "Future Plans and Use of [REDACTED]."

SUMMARY

PRE-[REDACTED] INVESTMENTS

We conducted multiple series of Pre-[REDACTED] Investments with the Pre-[REDACTED] Investors. For further details of the identity and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see "History and Corporate Structure — Pre-[REDACTED] Investments."

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED], our H Shares to be converted from Unlisted Shares and issued pursuant to the [REDACTED], on the basis that we satisfy the market capitalization/revenue test under Rule 8.05(3).

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Dong, Dong Zhu, Ms. Wang, Yuyi Enterprise Management, Feihe Enterprise Management, Yunbai Enterprise Management, Shanghai Xintian, and Xintian Pharmaceutical, constituted our Controlling Shareholders, collectively being entitled to exercise the voting rights attached to approximately 57.42% of our total issued share capital. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will be entitled to exercise the voting rights attached to approximately [REDACTED]% of our total issued share capital. Accordingly, upon the [REDACTED], Mr. Dong, Dong Zhu, Ms. Wang, Yuyi Enterprise Management, Feihe Enterprise Management, Yunbai Enterprise Management, Shanghai Xintian, and Xintian Pharmaceutical, are a group of Controlling Shareholders of our Company. Notwithstanding that Xintian Pharmaceutical is one of our Controlling Shareholders, there is a clear delineation between the businesses of our Group and Xintian Pharmaceutical, as Xintian Pharmaceutical focuses on traditional Chinese medicine products while our Group primarily develops small-molecule chemical drugs, and their respective products are indicated for different diseases with no overlapping therapeutic applications. For further details of our corporate structure and the shareholding of our Controlling Shareholders, see "History and Corporate Structure" and "Relationship with Our Controlling Shareholders" in this document.

CONNECTED TRANSACTIONS

We have entered into and expect to continue transactions that will constitute the partially-exempt continuing connected transactions of our Company under the Listing Rules upon the [REDACTED]. In specific, we entered into a pharmaceutical products sales framework agreement with Guangzhou Youyi, which is indirectly controlled by Dong Zhu, our Director and one of our Controlling Shareholders, which is subject to the annual reporting requirement under Rules 14A.49 and 14A.71 and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the circular and independent Shareholders' approval requirements under Rule 14A.36 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 applicable requirements under Chapter 14A of the Listing Rules upon the [REDACTED] in respect of such partially-exempt continuing connected transaction.

For further details of continuing connected transactions of our Company, see "Connected Transactions" in this document.

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK$[REDACTED] (based on an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated gross [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] consist of (i) [REDACTED] expenses, including [REDACTED], of approximately HK$[REDACTED], and (ii) non-[REDACTED] expenses of approximately HK$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[REDACTED], and (b) other fees and expenses of approximately HK$[REDACTED]. During the Track Record Period, [REDACTED] charged to our consolidated statements of profit or loss were HK$[REDACTED]. Subsequent to the Track Record Period, approximately HK$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Developments

Since the end of the Track Record Period, we have continued to advance our pipeline. In January 2026, we received market approval for azilsartan and amlodipine tablet, which is the first-to-market generic drug of its class in China. In the same month, our Phase IIa trial for HL-1186 for the treatment of moderate-to-severe acute postoperative pain was completed. In March 2026, we completed HL-1186's Phase IIa clinical trial for the treatment of acute pain after abdominal surgery and obtained IND approval for YD6390 for the treatment of ulcerative colitis. For details, see "Business — Our Products."

No Material Adverse Change

Our Directors confirm that, up to the date of this document, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the years reported on in the Accountants' Report as set out in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants' Report as set out in Appendix I to this document.