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 whole document before you decide to [REDACTED] in the [REDACTED]. 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" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. ***In particular, we are a biotechnology company seeking a [REDACTED] on the Main Board of the Stock Exchange 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.*** *There are unique challenges, risks and uncertainties associated with [REDACTED] in companies such as ours. Your [REDACTED] decision should be made in light of these considerations.*

OVERVIEW

Founded in 2018, we are a near-commercial biopharmaceutical company and have built a diversified portfolio of monthly injectables, oral peptide therapies, and multi-target therapies to address increasingly personalized treatment needs of the global population living with obesity and other metabolic disorders. Our Core Product, zovaglutide (ZT002), is a potentially first-to-market and best-in-class monthly GLP-1 receptor agonist (GLP-1 RA) peptide injection. It is currently in a Phase III clinical trial (HORIZON-1) in China for obesity, and has demonstrated favorable tolerability and competitive weight-loss efficacy for obesity in its Phase II trial. Leveraging our proprietary technology platforms for peptide/protein engineering and scalable manufacturing, we continuously generate next-generation metabolic therapeutics that offer differentiated clinical benefits compared to traditional treatments.

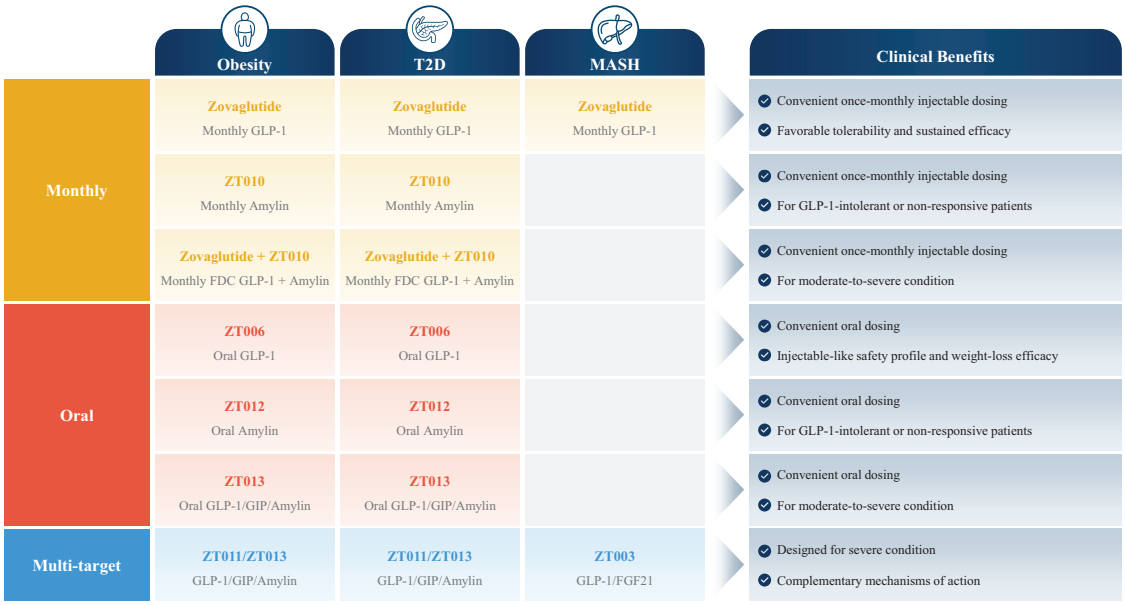
Founded and led by a cross-functional team with extensive experience in metabolic drug development, including leadership experience at Novo Nordisk, we operate as a fully integrated powerhouse with capabilities across discovery, preclinical and clinical development, and commercial-scale recombinant protein manufacturing. Our in-house good manufacturing practice (GMP)-compliant infrastructure positions us to secure a cost-efficient, flexible supply to meet the rapidly expanding market demand for metabolic therapeutics.

According to CIC, the global market size of metabolic diseases was approximately US$191 billion in 2024 and is expected to reach US$574 billion in 2035. Metabolic diseases, particularly obesity, are clinically heterogeneous. Patients vary significantly in disease severity, treatment goals, dosing preferences, treatment responsiveness, tolerability requirements, and comorbidity profiles, including type 2 diabetes (T2D), metabolic dysfunction-associated steatohepatitis (MASH) and cardiovascular diseases. Across this diverse patient landscape, GLP-1 RAs have established themselves as the foundational pharmacological modality and the fastest-growing segment within metabolic therapeutics. According to CIC, the global GLP-1 RA market is expected to expand to approximately US$209.6 billion by 2035, with monthly and oral GLP-RAs projected to account for approximately 25.2% (US$52.7 billion) and 24.9% (US$52.2 billion), respectively.

To serve differentiated patient segments, we have built a diversified portfolio of eight drug candidates designed to offer distinct clinical and patient-use profiles across three modalities: (a) once-monthly injections intended to reduce dosing frequency from weekly to monthly, (b) oral peptide formulations intended to deliver injectable-like safety and efficacy in a convenient tablet format, and (c) multi-target therapies that engage GLP-1 and complementary metabolic pathways, such as fibroblast growth factor 21 (FGF21) and amylin, to address comorbidities and higher-severity patient populations. This portfolio architecture ensures that each product candidate serves a defined clinical scenario and patient population, providing physicians and patients with a broader spectrum of treatment options across efficacy, tolerability, convenience, and economic accessibility.

SUMMARY

The graph below summarizes our product matrix and their clinical benefits.



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

OUR PIPELINE

We have established a diverse pipeline of drug candidates for addressing obesity, T2D, MASH and other metabolic disorders. The pipeline chart below summarizes the development status of our four clinical-stage drug candidates and four preclinical-stage candidates as of the Latest Practicable Date:

Pipeline Assets	Target	Dosing	Modality	Indication(s)	Pre-clinical	Phase I	Phase II	Phase III	Pre-BLA/ BLA	Regulatory Authority	Current Status / Upcoming Milestone[1]	Commercial Rights	Partner
★ Zovaglutide (ZT002)	GLP-1	QM Injection	Peptide	Obesity				China		NMPA	Phase III completion: 2027Q2	Global	/
								US		FDA[2]	FDA communication ongoing		
				T2D			China			NMPA	Phase Id/IIa completed		
				MASH		China				NMPA	Phase I completed		
ZT006	GLP-1	QD/QW Oral	Peptide	Obesity			China			NMPA	Phase II completion: 2026Q4	Global	/
				T2D		China				NMPA	Phase I completed		
ZT003	GLP-1/FGF21	QW Injection	Fusion Protein	MASH/SHTG		Australia				FDA[3]	Phase I completion: 2027H1	Global	/
ZT010	Amylin	QM Injection	Peptide	Obesity/T2D						/	Phase I initiation: 2027Q3	Global	/
ZT011	GLP-1/GIP/Amylin	Injection	Peptide	Obesity/T2D						/	Phase I initiation: 2027Q4	Global	/
ZT012	Amylin	Oral	Peptide	Obesity/T2D						/	IND submission: 2027H2	Global	/
ZT013	GLP-1/GIP/Amylin	Oral	Peptide	Obesity/T2D						/	IND submission: 2027H2	Global	/
ZT001	GLP-1 (Semaglutide Biosimilar)	QW Injection	Peptide	T2D						NMPA	Pre-BLA submitted	Global (excl. China and east/ central Africa)[4]	通化東宝[5][7]
				Obesity						NMPA	Phase III ongoing		华东医药 IMEiK[6][7]

★ Core Product

Notes:

(1) Completion of the clinical trial is based on the time of last visit of the last subject for the trial.

(2) Depending on the FDA's assessment of our existing clinical data and their applicability to the U.S. population, our next clinical step in the United States may be a Phase II bridging trial or a Phase III pivotal trial.

(3) The IND approval for the treatment of MASH has been obtained from the FDA and the Phase II clinical trial is expected to be initiated in the U.S.

(4) We have reached cooperation with a business partner in selected countries in the east and central Africa, under which the partner is responsible for the local registration and commercialization of ZT001 in the agreed territories, while we serve as the exclusive supplier of the product. ZT001 has been approved for marketing in Tanzania as of the Latest Practicable Date.

(5) In April 2024, we entered into a license and collaboration agreement with Tonghua Dongbao Pharmaceutical Co., Ltd. ("**Tonghua Dongbao**") for the development and commercialization of ZT001 for T2D in China. Pursuant to the Dongbao Collaboration Agreement, Tonghua Dongbao obtains the exclusive commercialization rights for ZT001 for the treatment of T2D in Chinese Mainland. For details, please refer to "Business — Our Collaboration and Licensing Arrangements — Collaboration With Tonghua Dongbao for the Development and Commercialization of ZT001 for T2D in China."

(6) In November 2022, we entered into a license and collaboration agreement with Beijing Nobot Biotechnology Co., Ltd., a wholly owned subsidiary of IMEIK Technology Development Co., Ltd. ("**IMEIK**") for the development and commercialization of ZT001 for obesity in China. Under the IMEIK Collaboration Agreement, IMEIK obtains the exclusive commercialization rights for ZT001 for obesity in Greater China (including Chinese Mainland, Hong Kong, Macau and Taiwan). For details, please refer to "Business — Our Collaboration and Licensing Arrangements — Collaboration With IMEIK for the Development and Commercialization of ZT001 for Obesity in China."

(7) Considering the license and collaboration with Tonghua Dongbao and IMEIK of ZT001 in China, [REDACTED] from the [REDACTED] will not be used for further development of ZT001.

Abbreviations: *BLA = Biologics license application; FDA = Food and Drug Administration; MASH = Metabolic dysfunction-associated steatohepatitis; NMPA = National Medical Products Administration; QD = Once Daily; QM = Once monthly; QW = Once Weekly; SHTG = Severe hypertriglyceridemia; T2D = Type 2 Diabetes.*

Our Core Product: zovaglutide (ZT002), a potentially first-to-market and best-in-class once-monthly GLP-1 RA peptide for weight management

Zovaglutide, our Core Product, is a Phase III clinical-stage once-monthly GLP-1 RA, designed for the treatment of obesity, T2D, and MASH. It is potentially the first-to-market and best-in-class monthly GLP-1 RA peptide injection. Zovaglutide's once-monthly dosing profile is enabled by our QL*Long* platform's dual fatty acid chain conjugation technology, which enhances albumin binding affinity approximately nine-fold relative to tirzepatide and extends the terminal half-life to approximately 12 days (as compared with approximately five days for tirzepatide). We completed the first-patient-in of its Phase III clinical trial in China for the treatment of obesity in January 2026. As of the Latest Practicable Date, there was only one other once-monthly obesity candidate globally that had progressed to Phase III clinical development. According to CIC, as of the Latest Practicable Date, zovaglutide was approximately four to five years ahead of most competitors in China as measured by the time of entry into Phase III clinical studies.

Zovaglutide directly addresses persistence issues in chronic GLP-1 therapy. Approximately 65% to 81% of obesity patients without T2D discontinue GLP-1 therapy within the first year, according to CIC. Zovaglutide is designed to differentiate meaningfully from current standards of care represented by weekly GLP-1 RAs by reducing the injection frequency and by enabling seamless switching from any other GLP-1 RA, which provides a preferred option for long-term persistency for the large population of patients who have already initiated but struggle to maintain weekly GLP-1 administration. This positions zovaglutide not only as a treatment for naïve patients but also as a preferred option for maintaining the existing GLP-1-treated population. By improving treatment compliance, zovaglutide has the potential to support a longer duration of therapy, less treatment discontinuation, and promote more sustained weight-loss outcomes.

SUMMARY

Phase II clinical data demonstrated robust efficacy. In the Phase II clinical trial, weight loss of up to 13.8% was achieved in the 160 mg Q4W dosing group at Week 24, with the weight-loss trajectory continuing without plateau, suggesting that longer treatment duration may yield further reductions. Following only 24 weeks of treatment, 97.1% of participants in the 160 mg Q4W group achieved at least 5% weight loss, demonstrating a near-universal clinical benefit within a relatively short treatment period. Comparable or numerically greater weight loss was observed in the 160 mg Q4W group relative to the 80 mg Q2W group, supporting the potential of monthly dosing to deliver efficacy on par with, or exceeding, more frequent injection schedules at an equivalent total monthly dose. Based on publicly reported data from independent trials and subject to the inherent limitations of cross-trial comparisons, this efficacy profile is superior to the reported efficacy outcome for semaglutide administrated at 2.4 mg once weekly, and comparable to tirzepatide administered at 15 mg once weekly and the other two monthly obesity drug candidates with publicly reported Phase II data of comparable sample size.

The tolerability profile is favorable relative to both weekly and monthly competitors. In our Phase II trial with over 300 patients, gastrointestinal adverse events (GIAEs) — the primary tolerability concern for GLP-1-based therapies — were mostly mild to moderate in severity, and primarily occurred during dose escalation and diminished during the maintenance period, consistent with the safety profile observed with GLP-1 drug class. The gastrointestinal-related discontinuation rate of zovaglutide was near zero, which is significantly lower than that of the leading weekly GLP-1 therapies, based on publicly reported data from independent trials. In addition, the discontinuation rates due to adverse events were 1.3% in the 80 mg Q4W group and 5.3% in the 160 mg Q4W group, which are the lowest among all three monthly obesity drug candidates with publicly reported Phase II data of comparable sample size from independent trials. Notably, at an equivalent total monthly dose, the 160mg Q4W dosing cohort in this Phase II trial demonstrated fewer GIAEs during the maintenance period than the 80mg Q2W group in the same trial, indicating that extending the dosing interval to a once-monthly schedule could bring additional tolerability advantages compared to more frequent regimen, such as weekly or bi-weekly dosing. The dose-escalation regimen has been further optimized in our Phase III trial, which is expected to support an even more favorable safety and adherence profile in later-stage development.

In addition to the Phase III trial in China, we are also actively discussing with the FDA to initiate a Phase II bridging trial or a Phase III pivotal trial in the U.S.. In parallel, we are preparing a Phase II switch study in China, designed to evaluate the efficacy and safety of transitioning patients from marketed weekly GLP-1 RAs to zovaglutide administered once monthly. Beyond obesity, we plan to expand the clinical evaluation of zovaglutide into other metabolic disorder, such as T2D and MASH. In T2D, a Phase IIb trial in China is planned to further characterize glycemic control and metabolic benefits. In MASH, a Phase II trial is planned in China to explore the potential of zovaglutide in addressing fatty liver disease.

Our other clinical and preclinical assets

ZT006 (Daily or Weekly Oral GLP-1 Peptide) — Phase II in China for Obesity. ZT006 is designed to target the substantial portion of patients who are averse to needles or prefer oral convenience over injections, offering weight-loss efficacy comparable to marketed weekly injections. Its potential for once-weekly dosing may also provide enhanced convenience relative to currently marketed once-daily oral therapies. Compared to oral small-molecule GLP-1 candidates, we believe oral peptide approaches offer attractive advantages, including the potential for higher efficacy and gastrointestinal tolerability and a more established GLP-1 peptide safety foundation supported by validation in large patient populations, while certain oral small-molecule approaches have reported limited weight-loss efficacy, higher discontinuation rate, and potential liver-related safety signals.

Our Phase I data demonstrated that ZT006 achieved dose-dependent weight loss in the low-teens percent range at Week 6 without a plateau in the multiple-ascending-dose cohort. Based on publicly reported data from independent trials and subject to the inherent limitations of cross-trial comparisons, ZT006 has demonstrated weight loss efficacy that is comparable to marketed injectable GLP-1 products and superior to oral small molecule GLP-1 candidates. ZT006 also exhibited a favorable safety and tolerability profile in Phase I study, with no treatment discontinuations due to drug-related adverse events. We are currently conducting one Phase II clinical trial of ZT006 for the treatment of obesity in China.

ZT003 (GLP-1/FGF21 Injection) — Phase I in Australia. ZT003 is a GLP-1/FGF21 dual agonist injection currently in Phase I clinical development for the treatment of MASH and severe hypertriglyceridemia (SHTG). As of the Latest Practicable Date, there had been no approved therapy with consistent efficacy demonstrated for MASH with cirrhosis (F4). It is specifically designed to address this unmet therapeutic need in advanced-stage MASH through multi-pathway therapeutic intervention beyond GLP-1 monotherapy.

ZT010 (Once-Monthly Selective Amylin Injection) — Preclinical Stage. ZT010 is a once-monthly selective amylin analogue injection at the preclinical stage. It is designed as a monotherapy for patients who are non-responsive or intolerant to GLP-1 therapies, and is further intended for use in once-monthly fixed-dose combination (FDC) with zovaglutide in patients with moderate-to-severe obesity, with the potential to synergistic weight loss benefits.

ZT011 (GLP-1/GIP/Amylin Injection) — Preclinical Stage. ZT011 is a GLP-1/GIP/amylin triple agonist injection at the preclinical stage. It is designed to deliver greater weight-loss efficacy while optimizing gastrointestinal tolerability for patients with moderate-to-severe obesity through balanced modulation of the GLP-1, GIP and amylin pathways and an optimized PK profile.

ZT012 (Oral Amylin) — Preclinical Stage. ZT012 is an oral amylin analogue at the preclinical stage, formulated using our QL*Oral* platform to extend the amylin pathway into an oral dosage form. It is designed to provide a convenient oral alternative for patients who are non-responsive or intolerant to GLP-1 therapies.

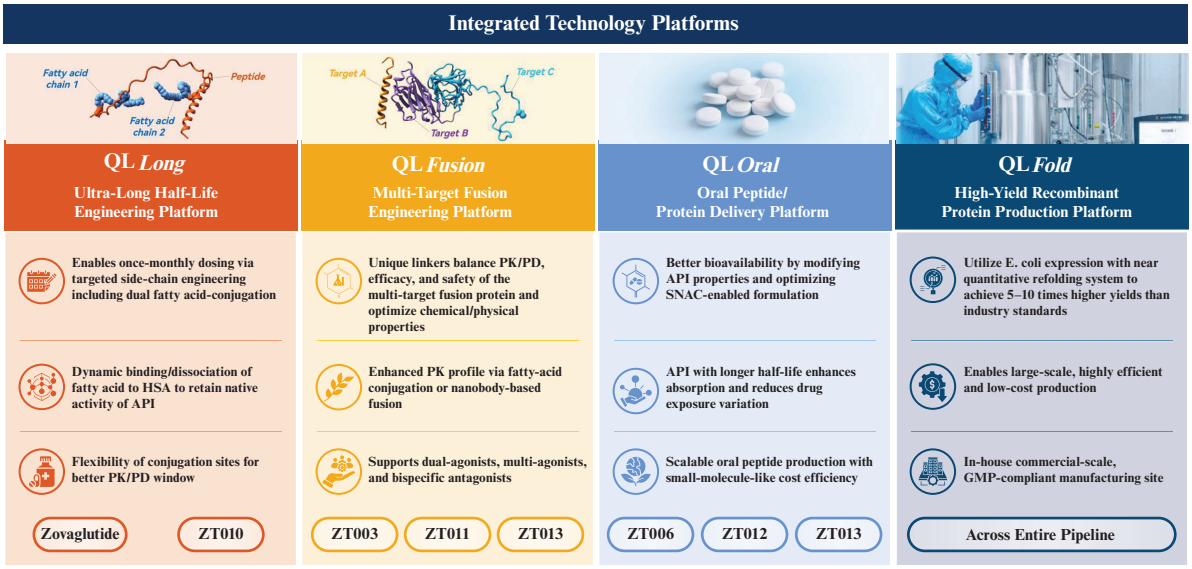
ZT013 (Oral GLP-1/GIP/Amylin) — Preclinical Stage. ZT013 is an oral GLP-1/GIP/amylin triple agonist at the preclinical stage. It is designed to deliver greater weight-loss efficacy for patients with moderate-to-severe obesity through balanced modulation of three complementary metabolic pathways in a convenient oral dosage form.

ZT001 (Semaglutide Biosimilar) — Pre-BLA Submitted. ZT001 is a once-weekly injectable semaglutide biosimilar candidate ready for biologics license application (BLA) submission in China, supported by competitive pricing enabled by our QL*Fold* manufacturing platform. We have entered into collaboration arrangements with IMEIK and Tonghua Dongbao for the commercialization of ZT001 for obesity and T2D in China, respectively, allowing us to leverage their established commercialization capabilities and resources.

OUR TECHNOLOGY PLATFORMS, AND RESEARCH AND DEVELOPMENT

Our four proprietary technology platforms, QL*Long* (ultra-long half-life engineering), QL*Fusion* (multi-target fusion engineering), QL*Oral* (oral peptide/protein delivery) and QL*Fold* (high-yield recombinant protein production), span the full value chain of peptide and protein drug discovery, engineering, formulation and manufacturing. Together, these platforms form an integrated technology toolbox that supports differentiated product innovation and scalable, cost-efficient development and manufacturing.

SUMMARY



Abbreviations: *API = Active Pharmaceutical Ingredient; GMP = Good Manufacturing Practice; HSA = Human Serum Albumin; PD = Pharmacodynamics; PK = Pharmacokinetics; QM = Once Monthly; SNAC = sodium salcaprozate.*

Research and development is a core pillar of our business strategy, underpinning our ability to drive innovation, advance pipeline assets, and maintain a competitive position in the global biotechnology market. We conduct R&D activities primarily through our in-house R&D team. Our R&D team has extensive experience and expertise in metabolic diseases, peptide/protein engineering, pharmacology, translational science, clinical development and quality management, guided by our seasoned management who bring profound industry knowledge and leadership experience. In 2024 and 2025, our research and development expenses were RMB150.5 million and RMB176.1 million, respectively. For more details of our R&D capabilities, please see "Business — Research and Development."

CMC AND MANUFACTURING

We have established a capable team responsible for CMC and manufacturing. As of December 31, 2025, we had a total of 110 personnel engaged in CMC and manufacturing. We have established manufacturing infrastructure to support commercial scale-up. Our first commercial-scale, GMP-compliant manufacturing facility in Taizhou comprises approximately 10,000 sq.m. of facilities, with an annual manufacturing capacity exceeding 40 million cartridges of semaglutide injection. The Taizhou facility will also be used to support early commercialization of zovaglutide and ZT006. Our scalable manufacturing platform and planned capacity expansion are designed to support the commercial launches with reliable supply, cost efficiency, and margin resilience, which we believe are critical competitive advantages in high-volume metabolic diseases markets. In addition, we also operate an in-house pilot-scale production workshop in Beijing.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (1) metabolic powerhouse with a diversified portfolio of next-generation therapeutics; (2) our Core Product, zovaglutide, a potentially first-to-market and best-in-class once-monthly GLP-1 RA for weight management; (3) a comprehensive product matrix to address diverse patient needs in metabolic diseases; (4) in-house manufacturing infrastructure delivering industry-leading cost efficiency, scalability and commercializability; and (5) seasoned and visionary management with deep expertise in peptide engineering and metabolic drug development.

SUMMARY

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: (1) accelerate the global clinical development and market launch of zovaglutide for weight management, and further unlock its potential across broader indications; (2) advance the development of our innovative portfolio containing once-monthly, oral and multi-target product candidates; (3) enhance our in-house manufacturing capability and build dedicated commercial team to seize the significant opportunities in our target market; (4) explore strategic and diversified partnerships globally to maximize the value of our pipeline; and (5) attract, retain and motivate talents to support business expansion.

INTELLECTUAL PROPERTY

Intellectual property rights are crucial to our business success. We are committed to the development and protection of our intellectual properties. We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 19 issued patents in China, (ii) six issued patents in the U.S., and (iii) 23 patent applications, including 14 in China, six in the U.S. and three under the PCT. As of the Latest Practicable Date, with respect to our Core Product, zovaglutide, we had four issued patents in the PRC, two issued patents in the U.S. as well as six pending patent applications, including one in the PRC, four in the U.S., one under the PCT. For details, see "Business — Intellectual Property."

COMMERCIALIZATION

We are actively preparing for the near-term commercialization through strategies tailored for products and markets. As of the Latest Practicable Date, we have not commercialized any of our drug products. Currently, zovaglutide, our Core Product, has entered into Phase III clinical trial for obesity in China; and ZT001 is at the pre-BLA stage for the treatment of T2D in China and in the Phase III trial for obesity in China. We plan to maximize the value of our drug candidates through a combination of in-house commercialization capabilities and collaboration with experienced third-party partners. For example, we have developed partnerships with industry leaders with existing commercialization capabilities, which allows us to secure access to thousands of hospitals, clinics, and other medical institutions for ZT001 in China. Building on this commercial infrastructure, we are also developing in-house capabilities required for future self-commercialization and/or co-commercialization of zovaglutide and our broader pipeline products. In determining the pricing strategy for our Core Product, we consider a range of factors, including the prices of comparable or competing drugs, supply-demand dynamics and health-economic analyses. We intend to finalize detailed pricing strategies as our Core Product approach commercialization, taking into account both value-based pricing and volume-driven pricing models. For details, see "Business — Commercialization."

CUSTOMERS

During the Track Record Period, we had not commercialized any of our drug products, and we generated revenue from (i) provision of R&D services, and (ii) sale of pharmaceutical intermediates. For the years ended December 31, 2024 and 2025, revenue generated from our five largest customers for each period amounted to RMB4.0 million and RMB3.1 million, representing 100.0% and 98.7% of our total revenue for the same period, respectively. Revenue generated from our largest customer for each period amounted to RMB2.7 million and RMB1.3 million, representing 67.6% and 41.3% of our total revenue for the same period, respectively.

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers primarily consisted of CROs, consumables suppliers, and other services providers. Purchases from our five largest suppliers for the years ended December 31, 2024 and 2025 were RMB55.7 million and RMB32.7 million, respectively, representing 29.8% and 23.7% of our total purchases for the same periods. Purchases from our single largest supplier for the years ended December 31, 2024 and 2025 were RMB18.2 million and RMB8.7 million, respectively, representing 9.8% and 6.3% of our total purchases for the same periods.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this document, as well as the information set forth in the section headed "Financial Information." Our historical financial information was prepared in accordance with IFRSs.

Summary Data 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 or loss for the periods indicated:

	For the Year Ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Revenue	4,006	3,132
Cost of sales	(850)	(1,658)
Gross profit	3,156	1,474
Other income and gains	10,337	11,472
Administrative expenses	(25,060)	(27,304)
Research and development expenses	(150,474)	(176,087)
Other expenses	(23)	(340)
Finance costs	(1,707)	(650)
Loss before tax	(163,771)	(191,435)
Income tax (expense)/credit	(39)	7
Loss for the year	**(163,810)**	**(191,428)**
Attributable to owners of the parent	**(163,810)**	**(191,428)**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange difference on translation of a foreign operation	23	85
Other comprehensive income for the year, net of tax	23	85
Total comprehensive loss for the year	**(163,787)**	**(191,343)**
Attributable to owners of the parent	**(163,787)**	**(191,343)**

Our administrative expenses increased by 9.0% from RMB25.1 million in 2024 to RMB27.3 million in 2025, primarily due to (i) increased [REDACTED] of RMB1.5 million, mainly attributable to professional service related to this [REDACTED], and (ii) increased staff costs of RMB1.5 million, mainly attributable to increased headcount and compensation; partially offset by decreased amortization and depreciation of RMB1.3 million.

Our research and development expenses increased by 17.0% from RMB150.5 million in 2024 to RMB176.1 million in 2025, primarily due to (i) an increase in technical service fees from RMB48.4 million in 2024 to RMB81.6 million in 2025, attributable to increased outsourcing cost of clinical trial services as our clinical programs advanced, (ii) an increase in staff costs from RMB35.0 million in 2024 to RMB47.4 million in 2025, reflecting increased headcount and compensation for our R&D team; partially offset by a decrease in material costs from RMB51.2 million in 2024 to RMB23.4 million in 2025.

For details of our income statements, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income" in this document.

Summary Data from Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial position as of the dates indicated.

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Total non-current assets	138,737	137,370
Total current assets	93,693	52,461
Total current liabilities	38,764	35,041
Net current assets	54,929	17,420
Total assets less current liabilities	193,666	154,790
Total non-current liabilities	175,218	229,187
Net assets/(liabilities)	18,448	(74,397)

Our net current assets decreased from RMB54.9 million as of December 31, 2024 to RMB17.4 million as of December 31, 2025, primarily due to (i) a decrease in time deposits of RMB20.1 million, (ii) a decrease in financial assets at fair value through profit or loss of RMB14.9 million; partially offset by (iii) a decrease in interest-bearing bank borrowings of RMB6.5 million.

We recorded net liabilities of RMB74.4 million as of December 31, 2025, compared to net assets of RMB18.4 million as of December 31, 2024, primarily due to (i) an increase in contract liabilities of RMB48.2 million, (ii) a decrease in time deposits of RMB20.1 million, and (iii) a decrease in financial assets at fair value through profit or loss of RMB14.9 million.

For details of our financial position, see "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" in this document.

Summary Data from Consolidated Statements of Cash Flows

The following table sets forth summary data from our consolidated statements of cash flows for the periods indicated:

	For the Year Ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Net cash flows used in operating activities	(45,040)	(111,598)
Net cash flows from investing activities	8,342	20,897
Net cash flows from financing activities	29,287	86,732
Net decrease in cash and cash equivalents	(7,411)	(3,969)
Cash and cash equivalents at beginning of year	42,467	35,079
Effect of foreign exchange rate changes, net	23	85
Cash and cash equivalents at end of year	**35,079**	**31,195**

We had net cash flows used in operating activities of RMB45.0 million and RMB111.6 million in 2024 and 2025, respectively, which were mainly attributable to cash used in paying research and development expenses and administrative expenses we incurred during the Track Record Period. For details of our cash flows, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents, financial assets at fair value through profit or loss which represents wealth management products we purchased, and the estimated [REDACTED] from the [REDACTED] and our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, other expenses and necessary capital expenditure for at least the next 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, bank borrowings payments and lease payments. We estimate that we will receive net [REDACTED] of approximately HK$[REDACTED] million in the [REDACTED], assuming that the [REDACTED] is not exercised and an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the [REDACTED]. Assuming an average cash burn rate going forward of [REDACTED] times of the level in 2025, we estimate that our cash and cash equivalents and financial assets at fair value through profit or loss as of December 31, 2025 will be able to maintain our financial viability for [REDACTED] months from January 1, 2026 taking into account the [REDACTED] from the Series C Financing completed in February 2026 and the estimated net [REDACTED] from the [REDACTED]; or we estimate that we will be able to maintain our financial viability for [REDACTED] months from January 1, 2026, taking into account the net [REDACTED] from the Series C Financing completed in February 2026 yet without taking into account the estimated net [REDACTED] from the [REDACTED]. We will continue to monitor our cash flows closely and expect to raise additional financing, if needed, with a minimum buffer of 12 months.

Key Financial Ratios

The following table sets forth our key financial ratio:

	As of December 31,	
	2024	2025
Current ratio[(1)]	2.42	1.50

Note:

(1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.

For details, see "Financial Information — Key Financial Ratio."

RISK FACTORS

Our business and the [REDACTED] involve certain risks including those set out in the section headed "Risk Factors" in this document. As different investors 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 [REDACTED]. Some of the major risks that we face include:

- Our business and financial aspects depend substantially on the success of our drug candidates, including zovaglutide which is at the late stage of clinical trials, and we must obtain required regulatory approvals before we can market them. If we are unable to successfully complete development, obtain regulatory approval and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.
- We face substantial competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do, which may adversely affect our financial condition and our ability to commercialize our drug candidates.
- If clinical trials of our drug candidates fail to demonstrate safety or efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, 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.
- We have limited experience in marketing and sales of our products if approved. There can be no assurance that we will be able to successfully commercialize our future products, and as a result, our revenue and profitability could be materially and adversely affected.
- If we are unable to obtain and maintain adequate intellectual property protection for our drug candidates in relevant jurisdictions across the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, our current or any future patents may be challenged and invalidated even after issuance.
- We have incurred net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future and may not be able to achieve or maintain profitability.
- We may need to obtain additional financing to fund our operations. If we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.

SUMMARY

OUR SHAREHOLDING STRUCTURE

Single largest group of Shareholders

Our single largest group of Shareholders comprises Dr. Zhang, Dr. Zhang Yuanyuan, Dr. Zhai, Mr. Wu and QL Tianjin. Dr. Zhang, Dr. Zhang Yuanyuan, Dr. Zhai and Mr. Wu entered into an acting-in-concert agreement in December 2018 and Dr. Zhang, being the general partner of QL Tianjin, is entitled to exercise its voting rights. As of the Latest Practicable Date, our single largest group of Shareholders was entitled to exercise an aggregate of approximately 25.72% voting rights in our Company. Immediately upon completion of the [REDACTED] (taking into account the [REDACTED] and assuming the [REDACTED] is not exercised), our single largest group of Shareholders will be entitled to exercise an aggregate of approximately [REDACTED]% voting rights in our Company. For details, see "Relationship with our Single Largest Group of Shareholders."

Pre-[REDACTED] Investors

Since the establishment of our Group, we have received seven rounds of Pre-[REDACTED] Investments from a number of Pre-[REDACTED] investors, such as HSG Venture, Lanchi Entities, Taifu Capital and OrbiMed. The aggregate [REDACTED] from the Pre-[REDACTED] Investments amounted to approximately RMB1.11 billion. As of the Latest Practicable Date, approximately 54% of the [REDACTED] from the Pre-[REDACTED] Investments have been utilized. Our Sophisticated Investors, which have made meaningful investment in our Company include HSG Venture and Lanchi Entities, which will hold approximately [REDACTED]% and [REDACTED]% of our total issued share capital immediately following the completion of the [REDACTED] (taking into account the [REDACTED] and assuming the [REDACTED] is not exercised), respectively. For the principal terms of the Pre-[REDACTED] Investments and background information of the Pre-[REDACTED] Investors, see "History, Development and Corporate Structure — Pre-[REDACTED] Investments."

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK$[REDACTED] million (approximately RMB[REDACTED] million, including [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per Share), which represent [REDACTED]% of the gross [REDACTED] from the [REDACTED], assuming no H Shares are [REDACTED] pursuant to the [REDACTED]. The above [REDACTED] are comprised of (i) [REDACTED]-related expenses of HK$[REDACTED] million, and (ii) non-[REDACTED]-related expenses of HK$[REDACTED] million, including (a) the legal advisors and the reporting accountants' expenses of HK$[REDACTED] million, and (b) other fees and expenses of HK$[REDACTED] million. During the Track Record Period, we incurred [REDACTED] of HK$[REDACTED] million, HK$[REDACTED] million of which was charged to our consolidated statements of profit or loss, and HK$[REDACTED] million of which was attributable to the [REDACTED] of Shares and will be deducted from equity. We expect to incur additional [REDACTED] of approximately HK$[REDACTED] million after the Track Record Period, approximately HK$[REDACTED] million of which is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[REDACTED] million of which is attributable to the [REDACTED] 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.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [REDACTED] should not purchase our H Shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors 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. As advised by our PRC Legal Advisor, we are not allowed to make dividend payments if we have accumulated losses. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable.

USE OF [REDACTED]

We estimate that the aggregate net [REDACTED] from the [REDACTED] will be approximately HK$[REDACTED] million, after deducting estimated [REDACTED], fees and expenses payable by us in connection with the [REDACTED], and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the [REDACTED] stated in this document. Assuming an [REDACTED] at the mid-point of the [REDACTED] and that the [REDACTED] is not exercised, we currently intend to apply these net [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK$[REDACTED] million, will be used to fund the research, clinical development and commercialization of our Core Product, zovaglutide (ZT002);

- Approximately [REDACTED]%, or HK$[REDACTED] million, will be used to fund the research and clinical development of our other innovative pipeline products, including ZT006, ZT003, ZT010, ZT011, ZT012 and ZT013;
- Approximately [REDACTED]%, or HK$[REDACTED] million, will be used to expand our commercial manufacturing capabilities in preparation for future product launches; and
- Approximately [REDACTED]%, or HK$[REDACTED] million, will be used for working capital and other general corporate purposes.

For more details, please see "Future Plans and Use of [REDACTED]."

RECENT DEVELOPMENTS

We expect that we will continue to record net losses for the year ending December 31, 2026, primarily because (i) we expect to incur significant research and development expenses as we continue to advance and expand our pipeline and enhance our technology platforms; and (ii) we expect to incur [REDACTED] in connection with our proposed [REDACTED].

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 or [REDACTED] or prospects since December 31, 2025, the end of the period reported in the Accountants' Report set out in Appendix I to this document, and there has been no event since December 31, 2025, that would materially affect the information contained in the Accountants' Report set out in Appendix I to this document.