BUSINESS

OVERVIEW

We are a global pharmaceutical company with a commercial network spanning over 40 countries and regions. Founded in 2001, we have built a diversified portfolio comprising active pharmaceutical ingredients (APIs)/intermediates, generics, and innovative drugs, leveraging our multidisciplinary expertise and industry-leading R&D capabilities.

Our marketed product portfolio comprises over 40 finished drug products and APIs/intermediates, underscoring our proven ability to overcome complex technological challenges and bringing pharmaceutical products to the market. Building on our foundation in high-barrier generics and specialty APIs, we have successfully advanced into innovative therapeutics with a globally competitive pipeline. As of the Latest Practicable Date, we had six major innovative drug candidates, spearheaded by BGM0504, a GLP-1/GIP dual agonist with global best-in-class potential for the treatment of type 2 diabetes (T2DM) and obesity/overweight. According to CIC, in terms of development progress, BGM0504 currently ranks among the three most advanced clinical-stage GLP-1/GIP dual agonist candidates globally, both in injectable and oral dosage forms.

During the Track Record Period, our revenue was primarily derived from the sales of marketed generic drug products and APIs/intermediates, covering a wide range of therapeutic areas including infectious diseases, immunology and oncology. We maintain a diversified portfolio of marketed products, including over 40 finished drug products and APIs/intermediates as of the Latest Practicable Date. The portfolio of marketed products supports continued investment in our product pipeline, enabling us to pursue long-term innovation opportunities while managing the inherent risks of pharmaceutical development. For the years ended December 31, 2023, 2024 and 2025, our revenue amounted to RMB1,163.6 million, RMB1,254.9 million and RMB1,198.2 million, respectively.

We currently focus our R&D efforts on developing globally novel and proprietary therapeutics for metabolic diseases, while building a competitive portfolio of inhalation-based drug-device combination products for respiratory diseases. Our metabolic disease pipeline is anchored by two lead innovative drug candidates: BGM0504 (GLP-1/GIP dual agonist) and BGM1812 (long-acting amylin analog), each developed in both injectable and oral dosage forms to maximize patient accessibility. For respiratory diseases, we are developing advanced inhalation product candidates with high barriers to entry, leveraging the sophisticated delivery systems derived from our drug-device combination platform. Beyond our deep focus on metabolic and respiratory diseases, we are also developing product candidates in other major therapeutic areas including infectious diseases, immunology and oncology. As of the Latest Practicable Date, we had six major innovative drug candidates.

We are committed to R&D investment, which enabled us to assemble a suite of technology platforms encompassing peptide technology, drug-device combinations, synthetic biology, and oral formulation. These capabilities, combined with our integrated operations — from starting materials through high-complexity APIs/intermediates to finished products — position us uniquely to meet growing global demand for end-to-end pharmaceutical partnership. Our global commercial footprint extends across over 40 countries and regions, embodying our differentiated collaborative model that generates sustained income while showcasing the proven synergy we have achieved between technological innovation and commercial success. Meanwhile, our established manufacturing systems demonstrate our high quality standards and enable us to conduct cGMP-compliant operations across different jurisdictions, leveraging local resources and market presence to expand our overall production capacity and capture growing opportunities worldwide.

OUR COMPETITIVE STRENGTHS

We are a global pharmaceutical company spearheading breakthroughs in metabolic and respiratory diseases and other therapeutic areas with significant disease burden.

China's pharmaceutical market has entered a new era of transformative growth and innovation, propelled by favorable policy initiatives and attracting unprecedented global investment and engagement. For over 24 years since inception, we have consistently pursued an innovation-focused strategy, establishing high technological barriers across our diversified product portfolio.

In our initial years, we focused on developing and commercializing generic pharmaceuticals, including technically complex generic drugs and specialty APIs/intermediates. Building on this foundation, we have strategically expanded into innovative therapeutics, establishing a globally competitive product pipeline. As of the Latest Practicable Date, we had six major innovative drug candidates, spearheaded by BGM0504, a GLP-1/GIP dual agonist with global best-in-class potential for the treatment of type 2 diabetes (T2DM) and obesity/overweight. As of the same date, our marketed product portfolio comprised over 40 finished drug products and APIs/intermediates, generating cash flows to support our ongoing investment in innovative R&D. This dual approach — combining generics with innovative therapies — provides near-term revenue stability and long-term growth potential while effectively mitigating the inherent risks of pharmaceutical development.

We currently focus our R&D efforts on developing globally novel and proprietary therapeutics for metabolic diseases, while building a competitive portfolio of inhalation-based drug-device combination products for respiratory diseases. According to CIC, metabolic and respiratory diseases accounted for approximately 20.0% of the global pharmaceutical market in 2025, totaling US$373.7 billion, and are expected to grow at a CAGR of 7.9% from 2026 to 2035, outpacing overall market growth. Our metabolic disease pipeline is anchored by two lead innovative drug candidates: BGM0504 (GLP-1/GIP dual agonist) and BGM1812 (long-acting amylin analog), each developed in both injectable and oral dosage forms to maximize patient accessibility. For respiratory diseases, we are developing advanced inhalation product candidates with high barriers to entry, leveraging the sophisticated delivery systems derived from our drug-device combination technology platform. Beyond our deep focus on metabolic and respiratory diseases, we are also developing product candidates in other major therapeutic areas including infectious diseases, immunology and oncology.

To support our sustained innovation and competitiveness, we are committed to R&D investment. This commitment is underpinned by our deep expertise across biochemistry, microbiology, drug-device combination technologies and delivery systems, exemplified by four technology platforms: peptide technology platform, drug-device combination platform, synthetic biology platform, and oral formulation platform. These integrated platforms collectively serve as the foundation for our diversified product portfolio, including our pipeline of innovative drug candidates and generics.

Furthermore, the development of our international operations remains a cornerstone of our long-term growth strategy. We are advancing our innovative drug pipeline through global clinical trials across China, the U.S. and Southeast Asia, while our marketed products reach over 40 countries and regions globally. This two-pronged globalization strategy — encompassing both clinical development and commercial operations — demonstrates our capability to navigate complex regulatory landscapes and diverse market environments, while deepening our global market presence and building recognition across the international value chain.

We have developed a strong portfolio of innovative clinical-stage drug candidates with global best-in-class potential targeting metabolic diseases.

Our metabolic disease pipeline targets therapeutic areas with fast-growing patient populations and persistent gaps in therapeutic efficacy. This portfolio is anchored by our two lead innovative drug candidates: BGM0504, our GLP-1/GIP dual agonist targeting T2DM and obesity/overweight, and BGM1812, our long-acting amylin analog.

BGM0504, GLP-1/GIP Dual Agonist for T2DM and Obesity/Overweight with Global Best-in-Class Potential

Leveraging our robust R&D capabilities, we have developed BGM0504 — a novel GLP-1/GIP dual agonist with global best-in-class potential. By simultaneously targeting GLP-1 and GIP and activating their downstream pathways, BGM0504 has demonstrated broad therapeutic potential for metabolic diseases, delivering effective glycemic control, weight reduction, and treatment of other comorbidities (such as MASH).

We are rapidly advancing BGM0504 through global clinical trials across China, the U.S., and Southeast Asia. Clinical trials in China and Indonesia have entered phase 3, with NDA submissions anticipated as early as 2026. As of the Latest Practicable Date, there was only one GLP-1/GIP dual agonist approved globally, namely tirzepatide. According to CIC, in terms of development progress, BGM0504 currently ranks among the three most advanced clinical-stage GLP-1/GIP dual agonist candidates globally, both in injectable and oral dosage forms.

The key advantages of BGM0504 include:

- ***Optimized design with enhanced potency and prolonged duration***. Through AI and computational modeling, we identified molecular elements essential for GLP-1/GIP dual agonism. Leveraging our peptide technology platform, we employed novel molecular modifications that establish a pivotal salt bridge with receptors, resulting in enhanced receptor activation. Additionally, introduction of functional acylation side chains gave BGM0504 a more compact and optimized spatial configuration, thereby maintaining prolonged plasma half-life with enhanced stability and receptor binding affinity, supporting once-weekly dosing. In preclinical studies, BGM0504 exhibited EC_{50} values of 0.031 nM and 0.182 nM at GLP-1 and GIP receptors, respectively, demonstrating a twofold to threefold increase in agonistic activity compared to tirzepatide. These attributes position BGM0504 as a potential global best-in-class therapy for T2DM and obesity/overweight treatment.

- ***Robust clinical efficacy and favorable safety profile***. In our head-to-head phase 2a clinical trial against semaglutide in patients with T2DM, BGM0504 demonstrated efficacious glycemic control across three dose groups: after treatment completion, HbA1c reductions were 1.99%, 2.21%, and 2.76% in the 5 mg, 10 mg, and 15 mg BGM0504 groups, respectively, compared to 1.71% in the 1 mg semaglutide group. Achievement of the therapeutic target of HbA1c $<7.0\%$ was observed in 76.9%, 81.8%, and 91.7% of subjects in the three BGM0504 groups, respectively, compared to 75.0% in the 1 mg semaglutide group. Notably, 41.7% of the subjects in the 15 mg BGM0504 group achieved both the glycemic control target (HbA1c $<6.5\%$) and significant weight loss ($\geq 10\%$) — a challenging composite endpoint that addresses T2DM's metabolic complexity.

  In its phase 2 trial in obesity/overweight patients without diabetes, BGM0504 demonstrated substantial and dose-dependent weight reduction effects. At week 26, 28 and 30, subjects in the 5 mg, 10 mg, and 15 mg BGM0504 groups achieved weight reductions of 10.77%, 16.21%, and 19.78%, respectively. These weight reductions were accompanied by significant improvements in several other cardiometabolic parameters, including waistline reduction ranging from 8.0 cm to 12.98 cm, and meaningful blood pressure improvements.

Across both trials, BGM0504 maintained a favorable safety and tolerability profile. Adverse events were predominantly grade 1–2, with no reported hypoglycemia or unexpected adverse reactions.

- ***Significant market opportunity for oral GLP-1 agonists***. While GLP-1/GIP dual agonists demonstrate enhanced efficacy, no oral dosage forms had been approved as of the Latest Practicable Date. According to CIC, the market size of oral GLP-1 agonists was US$3.5 billion in 2025 and is expected to reach US$59.6 billion in 2035, representing a CAGR of 23.7% from 2026 to 2035. Leveraging our expertise in formulation science and delivery systems, we are developing BGM0504 tablets, which has the potential to overcome the bioavailability challenges inherent to peptide drugs and significantly improve patient adherence. We have initiated phase 1 clinical trials for BGM0504 tablets for the treatment of obesity/overweight in the U.S. and China. As of the Latest Practicable Date, in terms of development progress, we were one of the only three oral GLP-1/GIP dual agonist candidates at clinical stage globally.

- ***Multi-pathway combination programs addressing different patient populations.*** BGM0504 may serve as a backbone therapy that can be optimized for different patient populations through multi-pathway targeting. We are developing BGM2102, which combines BGM0504 with BGM1812, our in-house developed long-acting amylin analog, to potentially enhance weight loss while reducing muscle loss in obesity/overweight patients. Mechanistically, BGM0504 targets GLP-1/GIP pathways for glucose control and appetite regulation, while BGM1812 acts through amylin/calcitonin receptors to delay gastric emptying and promote satiety — their complementary mechanisms therefore potentially deliver synergistic efficacy that surpasses single-target therapies. This combination therapy is designed to address the clinical needs of two key patient populations — individuals seeking high-quality weight management outcomes, and severely obese patients with weight loss targets of 20-25% or greater. We plan to initiate clinical trials for BGM2102 in the U.S. in the fourth quarter of 2026 and in China in early 2027, potentially positioning it among the world's first three clinical-stage combination therapies to simultaneously target GLP-1, GIP and amylin pathways.

  For T2DM patients, we are developing BGM2101, which pairs BGM0504 with a once-weekly long-acting insulin analog to deliver comprehensive glycemic control while preserving the weight benefits of GLP-1 therapy. BGM2101 is designed to address inadequate glycemic control with existing therapies and frequent short-acting insulin use, potentially reducing insulin dosage requirements and hypoglycemic risks.

- ***Immense therapeutic potential for T2DM, obesity/overweight and beyond.*** T2DM affected 552.0 million patients globally and 129.8 million in China in 2025, projected to reach 632.5 million globally and 143.9 million in China in 2035. Obesity/overweight affected 2,696.6 million individuals globally and 664.0 million in China in 2025, which are expected to rise substantially to 3,426.7 million globally and 847.5 million in China in 2035. GLP-1 receptor agonists, which have emerged as mainstream treatments for T2DM and obesity/overweight, generated global sales of US$80.4 billion in 2025 (US$2.1 billion in China), which is expected to reach US$204.3 billion in 2035 (US$25.5 billion in China).

We believe BGM0504, with its global best-in-class potential, can deliver superior therapeutic options for T2DM and obesity/overweight patients worldwide and compete effectively in this rapidly expanding market. With enhanced GLP-1/GIP dual receptor agonism, BGM0504 has the potential to achieve therapeutic effects across the interconnected spectrum of metabolic diseases, such as obstructive sleep apnea and MASH, significantly expanding its addressable market.

BGM1812, Long-acting Amylin Analog for Obesity|Overweight

BGM1812, an innovative long-acting amylin analog, activates both the amylin and calcitonin receptors simultaneously, potentially delivering enhanced efficacy at lower doses compared to single-target agents and improved safety.

Developed in both injectable and oral dosage forms, BGM1812 is investigated as a promising treatment for obesity/overweight, with potential clinical applications as monotherapy or in combination regimens. We initiated phase 1 trials for BGM1812 injection in the U.S. in October 2025 and in China in December 2025. We plan to submit IND applications both in China and the U.S. in the second quarter of 2027 to initiate phase 1 trials for BGM1812 tablets for obesity/overweight management. In addition, we are actively exploring the treatment potential of BGM2102, a fixed-dose combination of BGM1812 and BGM0504 as a promising treatment for obesity/overweight.

The key advantages of BGM1812 include:

- ***Innovative molecular design translating into enhanced therapeutic benefits***. BGM1812 is a novel, long-acting amylin analog optimized through artificial intelligence and machine learning to guide critical α-methylation modifications at hydrophobic sites. This creates a functional "hydrophobic cage" that locks the molecule into a high-activity conformation. As a result, BGM1812 demonstrates significantly improved binding affinity and structural stability, optimizing agonist activity while maintaining high solubility.

  In vitro studies demonstrate that BGM1812 is approximately 1.8-fold and 2.2-fold more potent than petrelintide analog at AMY3R and CTR receptors, respectively, with correspondingly lower EC_{50} values, which can potentially translate into superior clinical weight-loss outcomes at lower doses. In diet-induced obese (DIO) rat models, BGM1812 showed dose-dependent weight loss, substantially outperforming petrelintide analog in the 0.04 mg/kg group in both absolute weight reduction and fat-to-lean mass ratio improvement, with PK data confirming BGM1812's prolonged blood concentration maintenance and therefore highlighting durable therapeutic effects. These preclinical data collectively support BGM1812's potential to deliver enhanced weight loss sustainability and therapeutic benefits.

- ***Synergistic combination potential with favorable early-market positioning***. As of the Latest Practicable Date, no long-acting amylin analogs had been approved globally. The long-acting amylin analog drug market is projected to reach over US$30 billion by 2035. Notably, major global pharmaceutical companies are actively investigating amylin analogs' combination potential with GLP-1-based treatments or the development of multi-target agents to address the immense diabetes and obesity/overweight markets. We believe our BGM2102, a fixed-dosed combination of BGM1812 and BGM0504, could potentially establish one of the world's first amylin/GLP-1/GIP combination therapies with blockbuster potential in metabolic diseases. See also "— Our Product Portfolio — Our Product Candidates — Metabolic Diseases — BGM0504, GLP-1/GIP Dual Agonist for T2DM and Obesity/Overweight with Global Best-in-Class Potential — Competitive Advantages — Multi-pathway Combination Programs Addressing Different Patient Populations."

- ***Next-generation oral therapy for weight management***. The development of amylin-based therapies has created new expectations among patients and health-aware individuals seeking improved weight management solutions that balance safety, efficacy, and convenience. As a novel therapeutic candidate addressing both metabolic regulation and weight control, BGM1812 tablets are designed to meet these evolving needs by offering clinically meaningful weight loss and a favorable safety profile, with the potential to achieve weekly administration. These characteristics, enabled by pharmaceutical innovation and responsive to healthcare trends, allow BGM1812 to serve both medical treatment paradigms and preventive health approaches.

- ***High-quality weight management with favorable body composition.*** BGM1812 is designed to preserve lean mass while effectively reducing fat mass, potentially distinguishing it from existing obesity/overweight therapies that often compromise muscle during weight loss. This unique profile supports healthier, more sustainable weight management, as lean mass preservation directly impacts basal metabolic rate and long-term metabolic health. BGM1812 could therefore potentially benefit both patients requiring comprehensive metabolic improvement and health-conscious individuals seeking weight management while reducing muscle loss.

We remain committed to pioneering innovative treatments for diabetes, obesity/overweight and other metabolic diseases — a rapidly expanding market with significant unmet needs across clinical settings and lifestyle health management.

We are developing competitive respiratory therapeutics leveraging our innovative delivery systems and drug-device combination platform.

Respiratory diseases represent a substantial global healthcare burden, ranking as the fifth largest chronic disease area worldwide and the seventh largest in China in terms of market size, according to CIC. With the global respiratory drug market reaching US$150.7 billion in 2025, significant unmet needs persist — especially as traditional oral therapies remain limited by systemic side effects and poor patient adherence.

Inhalation therapies offer a clinically validated solution through their site-specific delivery advantages. However, formulation complexities and device engineering requirements have limited the availability of effective inhaled products — a market dynamic that creates significant opportunities for leading developers of advanced drug-device combinations.

Our multidisciplinary expertise and proprietary know-how have created significant competitive barriers through our drug-device combination platform and inhaled product pipeline. Notably, in the field of soft mist inhaler (SMI) drug products, where no generic products achieve approval globally to date due to complex aerosolization mechanisms and precision manufacturing requirements, we have developed deep expertise in formulation-device compatibility and established proprietary technological approaches. Similarly, in dry powder inhaler (DPI) drug products, where approved generics remain scarce due to challenges in particle engineering, powder blending, and airflow optimization, our breakthroughs in micronization and homogeneous mixing technologies have solved these fundamental technical hurdles — demonstrating our ability to overcome industry-wide barriers in respiratory drug delivery.

Based on our core technologies, we have built a respiratory pipeline with significant market value, represented by the following products:

- ***Salmeterol/Fluticasone Dry Powder for Inhalation.*** We are developing a fixed-dose combination product candidate for asthma and COPD comprising two active ingredients: salmeterol, a long-acting β 2-agonist (LABA), and fluticasone propionate, an inhaled corticosteroid, delivering both immediate symptom relief and long-term disease control. This product candidate incorporates our proprietary DPI device technology and advanced particle engineering capabilities, which deliver superior drug particle uniformity compared to industry standards, according to CIC. This enhanced particle uniformity enables more consistent and precise drug delivery to target lung regions, resulting in improved bioavailability and potentially superior therapeutic outcomes compared to existing products in the market. According to CIC, the market size for salmeterol/fluticasone dry powder for inhalation in China was RMB1.5 billion in 2025 and is expected to reach RMB2.0 billion by 2035. We are developing salmeterol/fluticasone dry powder for inhalation in 50μg/250μg and 50μg/500μg dosage strengths. We expect to receive marketing approval for these two strengths in the third quarter of 2027.

- ***Budesonide Suspension for Inhalation.*** We have developed a nebulizer-compatible inhaled corticosteroid designed for targeted anti-inflammatory treatment of respiratory conditions. Its suspension formulation provides enhanced drug stability and uniform particle distribution for consistent therapeutic delivery. Nebulized administration offers superior lung penetration while reducing the need for patient coordination, making it particularly suitable for pediatric patients and those unable to effectively use metered-dose inhaler (MDI) or DPI devices. This optimized formulation offers both reliable dosing accuracy and improved treatment compliance, addressing key challenges in respiratory care for vulnerable patient groups. According to CIC, the market size for budesonide suspension for inhalation in China was RMB4.4 billion in 2025 and is expected to reach RMB6.2 billion by 2035. We received marketing approval from the NMPA for budesonide suspension for inhalation in October 2025 and launched this product in December 2025.

- ***Tiotropium Bromide-based Products.*** Tiotropium bromide is a long-acting anticholinergic bronchodilator (LAMA) that selectively blocks M3 receptors on airway smooth muscle, effectively inhibiting bronchoconstriction and providing 24-hour bronchodilation for COPD maintenance therapy. As a cornerstone medication in COPD management, tiotropium bromide represents a critical therapeutic intervention with well-established clinical efficacy and safety profile. Building upon this proven molecule, we are developing three complementary formulations — including tiotropium bromide dry powder for inhalation, tiotropium bromide soft mist for inhalation and tiotropium bromide/olodaterol soft mist for inhalation enabling precision therapy across distinct COPD patient populations and clinical needs. According to CIC, the China tiotropium bromide drug market size reached approximately RMB0.8 billion in 2025 and is projected to grow to RMB1.1 billion by 2035. We expect to receive marketing approvals for our tiotropium bromide-based products between 2026 and 2028.

BUSINESS

We are developing multiple novel therapies to expand our respiratory pipeline, including a potential first-in-class TSLP nanobody inhalation (Category 1 innovative drug), and Category 2 modified new drugs such as ensifentrine inhalation. These candidates are expected to enter clinical development in 2026 and 2027, further strengthening our comprehensive respiratory product portfolio.

We have built industry-leading technology platforms and scientific expertise that enable cutting-edge drug innovation.

Through years of dedicated research, we have assembled a suite of proprietary R&D platforms encompassing peptide technology, drug-device combinations, and synthetic biology, further enhanced by the Macoral® oral formulation platform developed by Oralead Pharma, an associate of our Company. These integrated technological capabilities support our diversified product portfolio spanning metabolic disorders, respiratory diseases, infectious diseases, immunology and oncology.

The highlights of our core technology platforms are summarized below:

- ***Peptide Technology Platform.*** Peptide drugs, typically composed of 10–100 amino acids, bridge the gap between traditional small-molecule chemicals and large biologics (e.g., proteins), exhibiting unique structural and functional properties. They demonstrate high target affinity with low off-target risks, and their hydrolyzed byproducts are amino acids, reducing concerns about toxic metabolites. Notably, GLP-1-based therapies have been clinically validated for diabetes and obesity/overweight treatment, with further potential in various chronic conditions — such as MASH, cardiovascular diseases, and obstructive sleep apnea — highlighting their broad therapeutic applicability.

  Leveraging this platform, we are actively advancing the development of differentiated GLP-1-based therapeutics, with a focus on novel delivery methods (e.g., oral dosage form), multi-target combination therapies, and indication expansion. Our flagship metabolic disease candidate, BGM0504, exemplifies this approach: with an optimized peptide structure, BGM0504 enhances target binding and pharmacological activity, creating a competitive edge in metabolic diseases.

- ***Drug-Device Combination Platform.*** Drug-device combination products are single medical entities that integrate drugs with medical devices, available in forms such as inhalers, intranasal formulations, ophthalmic sprays, and injection pens. They have broad applications in respiratory, metabolic and central nervous system (CNS) diseases, among other therapeutic areas. The development of drug-device combination products is highly complex, requiring expertise across pharmaceutics, medicine, surface science, materials engineering, and mechanical design.

  Inhalation products are especially challenging: particle size strongly influences pulmonary deposition, with effective delivery typically achieved when drug particles are maintained between 1–5 μm. In addition, properties such as charge and bulk density affect dispersion, absorption, and therapeutic effect. Device design is equally important for consistent dosing and particle distribution, while clinical design and administration methods further shape the treatment outcomes. Through years of innovation, we have overcome key R&D hurdles to optimize routes of administration, device design, and clinical practice. This has enabled us to build a differentiated drug-device combination platform and a technically complex inhalation pipeline focused on respiratory diseases.

- ***Synthetic Biology Platform.*** Synthetic biology is an interdisciplinary field that applies engineering principles to redesign natural biological systems or to build *de novo* microbial cell factories for the more efficient production of natural products.

  Building on our expertise in fermentation and semi-synthesis, we have extended upstream to establish a synthetic biology platform that powers more efficient and versatile production systems. We optimize existing microbial strains to enhance efficiency and reduce costs — exemplified by caspofungin and sordarin — while designing new strains to broaden our product portfolio while providing innovative solutions for customers.

- ***Oral Formulation Platform***. The Macoral® oral formulation platform represents a breakthrough in oral administration of peptide drugs and nanobodies, combining innovative mechanisms with lyophilized flash-release formulation technology to significantly enhance the bioavailability of these difficult-to-deliver macromolecules by several-fold.

  This platform features three key technological advantages: (i) intestinal targeting protection coupled with permeation enhancement, (ii) reversible tight-junction modulation enables macromolecule absorption via specialized permeation enhancers, and (iii) enzyme-resistant protection that prolongs drug action duration and improve

plasma concentration persistence. We are committed to leveraging this platform to develop innovative and complex oral peptide drugs that address the patient adherence limitations of traditional injectable therapies.

Our R&D team is led by Dr. Jiandong Yuan and comprised over 270 members as of December 31, 2025, with extensive industry experience from multinational pharmaceutical companies and leading domestic enterprises. To fortify our technological leadership, we maintain rigorous intellectual property protection and have consistently received multiple national-level IP awards. As of December 31, 2025, we had 298 granted patents and 201 patent applications. Our IP portfolio spans multiple countries and regions worldwide, including China, the United States, Japan, Canada, Europe, and South Korea. In February 2025, we were granted BGM0504's compound patent in the United States, providing a solid foundation for its global development plan and competitive differentiation.

We have established a global commercial network and collaborative models that drive value creation.

Our global commercial footprint extends across over 40 countries and regions, supported by a comprehensive portfolio encompassing both specialty APIs/intermediates — with active Drug Master Files (DMFs) registrations across major markets including China, U.S., Europe, Japan, and South Korea — and finished dosage forms. This integrated offering demonstrates our capability to provide pharmaceutical solutions across the value chain spanning from starting materials through high-complexity APIs/intermediates to finished products, positioning us uniquely to capitalize on the growing global demand for end-to-end pharmaceutical partners who can deliver technical excellence, consistent quality, and proven scalability.

Notably, capitalizing on our technological leadership, we have established a collaborative commercial model that sets us apart from industry peers. We manufacture and supply APIs tailored to selected customers' specifications to support their drug commercialization efforts, while securing structured profit-sharing arrangements upon product launch. Income derived from these arrangements is recorded under product sales for the purposes of revenue recognition. To date, we have successfully implemented this model across around 10 API products, particularly with global pharmaceutical partners, building strategic alliances beyond traditional supplier relationships. For example, we served as the exclusive API provider for a chemotherapy drug to one of the world's largest generic pharmaceutical companies and, based on the contractual terms, captured 5% to 15% of gross profits from its final products containing our APIs in key European markets. We also partner with a renowned European pharmaceutical company, where we are responsible for supplying APIs for several generic drug products including micafungin sodium, caspofungin acetate, and anidulafungin, and are entitled to net profit sharing of up to 50% from their finished products incorporating our APIs. This model maximizes our technology's commercial value while strengthening strategic ties with major international pharmaceutical companies.

This differentiated collaborative model, rooted in our proprietary technology, generates sustained income while showcasing the proven synergy we have achieved between technological innovation and commercial success. Looking forward, our established global network and partnerships position us to rapidly scale new products internationally as we strive to commercialize our innovative drugs and other pipeline products.

Our established manufacturing capabilities deliver end-to-end integration, quality assurance and supply chain independence.

We are committed to building world-class manufacturing systems and facilities, which are instrumental to the smooth execution of our clinical trials and reliable delivery of our marketed products. We currently manufacture our finished drug products and APIs/intermediates primarily in-house, in compliance with international cGMP standards.

We currently operate two manufacturing sites, both located in Jiangsu province, China. Our manufacturing facilities in Taixing, Jiangsu specialize in the production of APIs and intermediates, with an annual API production capacity exceeding 50 tons. Our manufacturing facilities in Suzhou are primarily responsible for the production of finished drug products, including small molecule drugs, peptides, and biologics, with an annual production capacity of approximately 600 million units.

We are proactively enhancing the manufacturing infrastructure for BGM0504, our flagship metabolic disease candidate, to support its anticipated commercialization. As of the Latest Practicable Date, we were in the final stages of completing (i) an Innovative Drug Formulation and API Production Base (Phase 1) at our Suzhou site, designed to support the phase 3 clinical trials and early commercialization of our BGM0504 injection, scheduled to become operational in early 2027, and (ii) an expansion to our Taixing manufacturing facilities (Phase 2) to support the API development and manufacturing for BGM0504 with anticipated commercial launch as early as 2027. Once operational, these facilities are expected to form an integrated API-to-formulation supply chain and strengthen our in-house capacity for the commercialization of BGM0504 injection in China, reducing reliance on third-party CDMOs.

We are also advancing other capacity expansion initiatives, including our Suzhou Inhalation and Chemical Drug Formulation Production Base and Biomedical R&D Center designed primarily for the manufacturing of high-barrier inhalation products to address the growing respiratory therapeutics market. For details, see "— Manufacturing — Manufacturing Facilities."

Together, these established manufacturing capabilities provide long-term support for our integrated value chain spanning from starting materials through high-complexity APIs/intermediates to finished products. Meanwhile, our API and formulation production quality systems meet cGMP standards across major global markets (including China, Europe, U.S., Japan, South Korea, Australia and Brazil). This not only demonstrates our high quality standards but also enables us to conduct cGMP-compliant operations across different jurisdictions, leveraging local resources and market presence to expand our overall production capacity and capture growing opportunities worldwide.

Visionary leadership with extensive industry expertise guides our strategic growth and innovation.

Our leadership team brings together deep industry expertise, proven innovation capabilities, strategic depth, and global perspective. Their insights and acumen in the domestic and global pharmaceutical value chains, distinguished track records, and synergistic competencies guide our long-term growth.

Dr. Yuan Jiandong (袁建栋), our founder and Chairman, leverages over 30 years of international expertise in biomedical research and strategic management to shape our global trajectory. Dr. Yuan earned his bachelor's degree in chemistry from Peking University and a Ph.D. in chemistry from the State University of New York. Since 2001, Dr. Yuan and his strategic vision have steered our evolution into a global pharmaceutical company. Under his leadership, we have assembled a team of senior executives and key R&D personnel with deep expertise across core business areas:

- **Ms. Tong Tong (仝彤)**, executive Director, primarily responsible for overseeing our business development and strategic investments. Ms. Tong brings over 10 years of investment management expertise and over eight years of biopharmaceutical industry-related experience, with outstanding management and execution capabilities.
- **Mr. Li Kai (李凯)**, executive Director and deputy general manager, primarily responsible for the management of our corporate operations and overall coordination. Mr. Li has over 20 years of operational management experience.

- **Dr. Jiang Xiaohui (江曉暉)**, chief scientific officer, overseeing our R&D initiatives. Dr. Jiang has over 25 years of experience in pharmaceutical research and development.
- **Dr. Xie Daosheng (謝道生)**, China chief medical officer, managing our clinical development and regulatory affairs in China. Dr. Xie brings over 15 years of medical and clinical research expertise.
- **Dr. Huang Yangqing (黃仰青)**, deputy head of research institute, leading our R&D activities. Dr. Huang has over 15 years of pharmaceutical synthesis and development experience.
- **Dr. Li Changhui (李昌輝)**, R&D director, leading research and operations at Atmen Pharmaceutical. Dr. Li possesses over 15 years of biopharmaceutical research and industry experience.

Our senior management team is supported by an internationally competitive talent pool. We utilize diverse recruitment channels to attract qualified professionals while drawing on the expertise of our distinguished R&D team — which include accomplished scientists from leading institutions worldwide — to drive innovation and competitive advantage. As of December 31, 2025, our research and development team comprised more than 270 members with expertise across various healthcare sectors. A number of our research and development personnel have prior experience with well-known pharmaceutical companies and research institutions both domestically and internationally. We believe the retention of talent and continued recruitment of qualified personnel are essential to maintaining our leadership and advancing our global development strategy.

OUR BUSINESS STRATEGIES

Our business strategies are rooted in our mission of "Continuous Innovation for Better Health." We pursue a dual-track approach to benefit patients globally: (i) delivering high-quality, advanced generics to expand treatment accessibility, and (ii) advancing frontier pharmaceutical science to develop novel therapeutics addressing unmet medical needs. This proven, balanced model creates a sustainable foundation for innovation-driven growth while managing development risks.

To execute our vision, we intend to pursue the following strategic initiatives:

Continuously advance the clinical development of our metabolic disease candidates with global best-in-class potential.

We remain strategically focused on metabolic diseases with high prevalence and significant unmet medical needs. We have prioritized metabolic diseases, including obesity/overweight and T2DM, as our core therapeutic areas. Globally, these diseases affect a vast and growing patient population, placing a heavy economic burden on healthcare systems worldwide. Despite available treatments, unmet needs persist in efficacy, safety, and patient compliance — creating a strategic and commercial opportunity for novel, differentiated therapies.

For BGM0504, our flagship metabolic disease candidate, we are pursuing a multi-regional clinical development pathway to maximize its clinical and commercial value:

- In China, phase 3 clinical trials of BGM0504 injection for both T2DM and obesity/overweight are currently ongoing and are expected to be completed in 2026.
- In the United States, the world's largest weight management drug market, we completed a bridging study for BGM0504 injection in March 2025. We are in communication with the FDA regarding our plan to initiate BGM0504's phase 3 trial for obesity/overweight.
- For other Asian markets: BGM0504 injection is undergoing a phase 3 clinical trial for T2DM in Indonesia. We are actively preparing for the expansion of BGM0504 injection's clinical development plans in other Asian markets.

Our multi-regional development approach is expected to accelerate market entry, maximize our global reach and partnership opportunities, and lay a strong foundation for future commercialization across both developed and emerging markets. In addition, we are actively advancing the clinical development of BGM0504 tablets, with phase 1 clinical trials ongoing in the U.S. and China, to serve a broader patient population with a more convenient administration route.

Meanwhile, we will leverage the scientific insights and clinical development expertise gained from the BGM0504 program to systematically advance a broader pipeline of innovative therapies for metabolic diseases. We initiated phase 1 trials for BGM1812 injection for the treatment of obesity/overweight in the U.S. in October 2025 and in China in December 2025, both of which are expected to be completed in the third quarter of 2026. We plan to submit IND applications both in China and the U.S. in the second quarter of 2027 to initiate phase 1 trials for BGM1812 tablets for obesity/overweight management. In addition, we are actively exploring the treatment potential of BGM2102, a fixed-dose combination of BGM1812 and BGM0504, as a promising treatment for obesity/overweight.

Looking ahead, we will continue to expand our pipeline by exploring novel therapeutic targets and drug modalities to develop potentially global best-in-class and first-in-class therapies addressing metabolic disorders and their comorbidities.

Establish a comprehensive respiratory product portfolio with high entry barriers, leveraging our drug-device combination platform.

We have identified the respiratory therapeutics sector as both a high-potential growth area and a logical extension of our validated drug development and commercialization capabilities. Our integrated capabilities — spanning APIs through finished drug products — underscore our proven ability to overcome complex technological challenges, combined with a demonstrated track record of successfully bringing high-barrier pharmaceutical products to the market.

The respiratory therapeutics sector presents a distinctive market opportunity characterized by sophisticated formulation technologies and specialized delivery mechanisms that create substantial barriers to entry. Our expertise spanning complex formulation development, molecular design, advanced manufacturing processes, and rigorous quality systems — demonstrated through signature products like oseltamivir phosphate and micafungin sodium — translates seamlessly to the core capabilities required for the development of respiratory therapeutics. This technological synergy positions us to build a strong presence in respiratory therapeutics while delivering improved treatment solutions to patients worldwide.

Leveraging our proprietary drug-device combination technology platform, we will continue to solidify our comprehensive strengths in formulation science, delivery device technology, and clinical development to address unmet needs in major therapeutic areas such as asthma and COPD. Through technological innovation, we aim to develop products with superior delivery efficiency, stability, and patient convenience — including technically complex generics — to capture significant market share in this fast-growing yet currently import-dominated segment in China. In addition, we are committed to advancing the clinical development of our novel respiratory therapeutics, including a potential first-in-class TSLP nanobody inhalation (Category 1 innovative drug) and multiple Category 2 modified new drugs.

Solidify our platform-based R&D capabilities while building industry-leading CMC and manufacturing competencies.

Sustained R&D investment drives our long-term value creation through delivering differentiated, technology-enabled therapeutics. We will continue to enhance our core technology platforms — peptide, drug-device combination, synthetic biology, and oral formulation platform — by implementing a synchronized strategy designed to maximize R&D efficiency. We will also continue to strengthen our end-to-end CMC platform to bridge drug discovery with commercial

manufacturing. These integrated capabilities enable rapid, risk-mitigated transition from laboratory development to cGMP production at scale — a critical differentiator in today's global pharmaceutical industry where quality and speed are essential to competitiveness.

We are enhancing our manufacturing capabilities at our Suzhou and Taixing facilities to build a resilient supply chain that meets current demand and enables future growth. For our flagship metabolic disease candidate BGM0504, we plan to build new production lines to meet surging global demand for diabetes and obesity/overweight treatments. In parallel with this capacity growth, we will continue strengthening our quality systems and operational protocols to establish ourselves as a producer of therapeutics for global markets. Our manufacturing operations are designed to meet the most stringent international standards, with ongoing investments supporting our compliance with cGMP requirements and regulatory requirements from the NMPA, FDA, EMA and other competent authorities.

Strengthen and diversify our commercial capabilities across both domestic and international markets.

Leveraging our internationally compliant manufacturing systems and global regulatory expertise, we strive to strengthen our established market position across major countries, including China, the U.S., Europe, Japan, South Korea, while actively expanding into high-potential emerging markets through targeted commercialization efforts.

- ***Dual-track commercial strategy***. For our innovative drug candidates, we will focus on value-based pricing for premium positioning, professional academic promotion to establish clinical leadership, and cultivating deep partnerships with KOLs to accelerate market penetration. For generic drugs, we focus on operational excellence, cost control, and maximizing market share through established channels.

- ***Agile commercialization model***. Based on individual product profiles and market dynamics, we deploy a flexible range of strategies — including direct sales, licensing and distributorship — to maximize commercial value. We will capitalize on our established API sales infrastructure, which includes profit-sharing partnerships with multiple international pharmaceutical partners and an extensive global network, creating a strong foundation for bringing our innovative drugs to international markets.

- ***Sales and marketing team development***. We plan to build our in-house sales and marketing team in strategic markets, enabling deep involvement in product promotion and market education while gradually strengthening our end-market insights and capabilities. We aim to drive our products' market share across markets through a continued combination of direct market development and regional partnerships.

- ***Deepen global influence***. Taking a global market approach as our strategic priority, we will continue to drive R&D, clinical development, regulatory approval, and commercialization of our innovative drugs internationally, including through partnerships with respected global collaborators at each stage. Furthermore, we will actively engage in leading international conferences to steadily build our global brand presence and influence.

Attract and retain talent to drive innovation and global expansion.

Our talent strategy centers on innovation and business imperatives. We maintain sustained investment in attracting, cultivating, and retaining high-calibre professionals. With a strong focus on R&D excellence, we have established global research capabilities staffed by highly competent scientific teams. Our expansion will prioritize critical capabilities in clinical development, international regulatory affairs, and commercialization. We seek to recruit leading scientists and industry experts worldwide to strengthen our drug discovery, clinical research, and regulatory expertise, with particular focus on industry veterans with international experience and strategic vision.

To support our global expansion plans, we will implement competitive compensation and incentive programs that aligns key talent with corporate growth. In addition, we cultivate an environment of relentless innovation and exploration that drives employee engagement and retention. Through our comprehensive talent development framework, we strive to build professional excellence and global acumen, creating a robust talent pipeline for sustained growth.

OUR PRODUCT PORTFOLIO

We are a pharmaceutical company with a diversified portfolio spanning innovative drugs, generic drug products, and active pharmaceutical ingredients (APIs) and intermediates. Our development strategy is anchored by four technology platforms relating to peptide, drug-device combination, synthetic biology, and oral formulation, which address complex technical challenges across multiple therapeutic areas.

During the Track Record Period, our revenue was primarily derived from the sales of marketed generic drug products and APIs/intermediates, covering a wide range of therapeutic areas including infectious diseases, immunology and oncology. We maintain a diversified portfolio of marketed products, including over 40 finished drug products and APIs/intermediates as of the Latest Practicable Date. The portfolio of marketed products supports continued investment in our product pipeline, enabling us to pursue long-term innovation opportunities while managing the inherent risks of pharmaceutical development.

The following table sets forth the breakdown of our revenue by types of goods or services for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Product sales						
APIs and intermediates	947,363	81.4	1,047,914	83.5	968,855	80.9
Finished drug products	138,009	11.9	161,150	12.8	176,191	14.7
Subtotal	1,085,372	93.3	1,209,064	96.3	1,145,046	95.6
Research and development services	75,805	6.5	39,218	3.1	16,157	1.3
Others[(1)]	2,446	0.2	6,586	0.6	37,002	3.1
Total	**1,163,623**	**100.0**	**1,254,868**	**100.0**	**1,198,205**	**100.0**

Note:

(1) Primarily representing licensing revenue and income from providing manufacturing services to third parties.

Reaching over 40 countries and regions globally, our diversified portfolio of marketed products have achieved steady financial results during the Track Record Period. Capitalizing on our R&D expertise and technological leadership, we have established a differentiated position in the global pharmaceutical value chain. Notably, we not only offer numerous in-house developed APIs and intermediates holding Drug Master Files (DMFs) registrations across major markets — China, the United States, Europe, Japan and South Korea, but also provide targeted technical support and end-to-end development solutions to selected customers, accelerating their drug commercialization while securing structured profit-sharing arrangements upon product launch. For details, see "— Sales and Marketing — Our Sales and Distribution Model — Direct Sales."

We currently focus our R&D efforts on developing globally novel and proprietary therapeutics for metabolic diseases, while building a competitive portfolio of inhalation-based drug-device combination products for respiratory diseases. Our metabolic disease pipeline is anchored by two lead innovative drug candidates: BGM0504 (GLP-1/GIP dual agonist) and BGM1812 (long-acting amylin analog), each developed in both injectable and oral dosage forms to maximize patient accessibility. For respiratory diseases, we are developing advanced inhalation product candidates with high barriers to entry, leveraging the sophisticated delivery systems derived from our drug-device combination platform. Beyond our deep focus on metabolic and respiratory diseases, we

are also developing product candidates in other major therapeutic areas including infectious diseases, immunology and oncology. As of the Latest Practicable Date, we had six major innovative drug candidates.

Our Marketed Products

Leveraging our robust technology platforms, we have successfully developed and commercialized a diversified product portfolio, including finished drug products and APIs/intermediates. As of the Latest Practicable Date, we had successfully commercialized over 40 pharmaceutical products, including 14 finished drug products and 32 APIs and intermediates, covering broad therapeutic areas including infectious diseases, immunology and oncology.

The following table sets forth the sales volume and average selling price of our marketed products by product category for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Sales volume *('000 units)*	Average selling price *(RMB/unit)*	Sales volume *('000 units)*	Average selling price *(RMB/unit)*	Sales volume *('000 units)*	Average selling price *(RMB/unit)*
APIs and intermediates	53,252	16.6	37,037	26.7	41,524	21.7
— Micafungin sodium[(1)]	252	435.1	474	313.8	319	307.0
— Oseltamivir phosphate[(2)]	36,284	7.0	23,355	5.9	15,836	2.9
Finished drug products	4,574	30.2	7,983	20.2	13,968	12.6
— Micafungin sodium	436	114.3	609	113.7	689	104.6
— Oseltamivir phosphate[(2)]	3,651	21.5	6,479	9.9	11,926	5.6

Notes:

(1) The average selling price of our APIs and intermediates for micafungin sodium decreased from 2023 to 2024, primarily due to intensified competition as more generic versions received marketing approval.

(2) The average selling price of our oseltamivir phosphate products continuously declined during the Track Record Period, primarily due to (i) the implementation of China's national VBP schemes applicable to oseltamivir phosphate products in the PRC market, which commenced in November 2022 for capsules and in July 2023 for powder for oral suspension; and (ii) intensified competition from generic products. As of December 31, 2023, 2024 and 2025, there were over 20, 30 and 40 generic versions of oseltamivir phosphate approved in China, respectively, according to CIC.

The average selling price of our APIs and intermediates increased from RMB16.6/unit in 2023 to RMB26.7/unit in 2024, primarily because (i) a higher percentage of our revenue was derived from products with higher average selling price, represented by APIs and intermediates for micafungin sodium, eribulin mesylate, and caspofungin acetate; and (ii) the demand for oseltamivir phosphate APIs/intermediates decreased due to shifting flu incidence patterns, causing these lower-priced products to account for a smaller share of our revenue mix. The average selling price of our APIs and intermediates decreased from RMB26.7/unit in 2024 to RMB21.7/unit in 2025, primarily due to a shift in product mix. Eribulin mesylate APIs, which are priced substantially above our portfolio average, comprised a smaller share of our revenue in 2025 compared to 2024, as demand gradually normalized following initial customer inventory stocking for eribulin mesylate's U.S. launch in 2024.

The sales volume of our APIs and intermediates decreased from 2023 to 2024, primarily due to lower sales volume of oseltamivir phosphate attributable to weakened downstream demand amidst lower flu incidence. The sales volume of our APIs and intermediates increased from 2024 to 2025, primarily attributable to the increased sales of dalbavancin and pimecrolimus in 2025. Such increase reflected higher dalbavancin procurement by customers in preparation for product launch in 2025, as compared with lower procurement volumes during the R&D stage in 2024, and increased pimecrolimus sales driven by its first-generic advantage in China together with targeted product and marketing strategies.

The average selling price of our finished drug products showed a decreasing trend during the Track Record Period, primarily attributable to the inclusion of our oseltamivir phosphate powder for oral suspension in the VBP scheme, the results of which were implemented in July 2023 and led to substantial price reductions. This decrease was substantially offset by the increasing revenue contribution of our higher-priced finished drug products, such as micafungin sodium. During the Track Record Period, driven by growing demand and our effective marketing efforts, revenue generated from the sales of micafungin sodium finished drug products experienced continuous growth and amounted to RMB49.9 million, RMB69.3 million and RMB72.0 million, respectively, for the years ended December 31, 2023, 2024 and 2025.

The sales volume of our finished drug products experienced continuous growth during the Track Record Period, primarily due to the increased sales volume of oseltamivir phosphate as we enhanced our targeted marketing initiatives to effectively capture market demand, including through expansion into digital channels.

Below is a summary of our major marketed products, each of which contributed over 5% of our revenue during the Track Record Period:

Micafungin Sodium

Micafungin sodium, our representative antifungal product, was our key revenue contributor during the Track Record Period, generating sales from both finished drug products (micafungin sodium for injection) and APIs/intermediates. Micafungin sodium is a semi-synthetic echinocandin agent administered intravenously for the treatment of invasive candidiasis, esophageal candidiasis, and prophylaxis of Candida infections in hematopoietic stem cell transplant patients. It demonstrates superior efficacy against azole-resistant Candida strains, positioning it as a valuable therapeutic option for immunocompromised patients. For the years ended December 31, 2023, 2024 and 2025, we generated RMB159.3 million, RMB217.9 million and RMB170.0 million from the sales of micafungin sodium, respectively, primarily from API/intermediate sales. The following is an image of our micafungin sodium for injection.

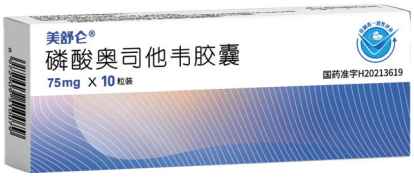
The originator drug, Mycamine®, was developed by Astellas Pharma Inc. and received its initial regulatory approval in Japan in 2002. Mycamine® was the second approved echinocandin worldwide. As of the Latest Practicable Date, over 15 generic versions had been launched globally. According to CIC, the global micafungin sodium drug market is expected to grow from US$241.0 million in 2025 to US$318.0 million in 2035. The global micafungin sodium API and intermediate market is expected to grow from US$41.0 million in 2025 to US$55.5 million in 2035.

We have established ourselves as a leading global supplier of micafungin sodium APIs and intermediates, with sales primarily in China, Europe, North America, South America, Turkey, Southeast Asia, India and Japan. In 2025, for example, we captured approximately 33.3% of the global market share for micafungin sodium APIs and intermediates, according to CIC.

We obtained the marketing authorizations for our micafungin sodium finished drug product in China in 2020. We sell micafungin sodium for injection (50mg) under the brand name "博瑞芬宁®." Our micafungin sodium for injection has, since its approval for marketing, been covered under Part B of the NRDL by reference to its generic names. Our micafungin sodium for injection was selected in the seventh batch of the national VBP scheme with a procurement cycle of three years, and the relevant VBP results were implemented in November 2022. In March 2026, the national follow-on VBP scheme covering our micafungin sodium for injection was implemented. See also "— Pricing — VBP Schemes."

Oseltamivir Phosphate

Oseltamivir phosphate is one of our antiviral products which generated sales from both finished drug products (oseltamivir phosphate capsule and powder for oral suspension) and APIs/intermediates during the Track Record Period. Oseltamivir phosphate is an oral neuraminidase inhibitor indicated for the treatment and prophylaxis of influenza A and B infections. Our oseltamivir phosphate sales are affected by both seasonal influenza demand and government stock reserve requirements. For the years ended December 31, 2023, 2024 and 2025, we generated RMB331.6 million, RMB202.1 million and RMB112.9 million from the sales of oseltamivir phosphate, respectively, primarily from API/intermediate sales. The following is an image of our oseltamivir phosphate capsule and powder for oral suspension.



The originator drug, Tamiflu®, was developed by Hoffmann-La Roche Ltd. and received its initial regulatory approval in the United States in 1999. As of the Latest Practicable Date, over 50 generic versions had been launched globally. According to CIC, the global oseltamivir phosphate drug market is expected to grow from US$1.0 billion in 2025 to US$1.4 billion in 2035. The global oseltamivir phosphate API and intermediate market is expected to grow from US$239.6 million in 2025 to US$331.3 million in 2035.

We established our presence in the oseltamivir market initially through our manufacturing of oseltamivir phosphate APIs/intermediates, with sales primarily in China and Turkey as of the Latest Practicable Date. In 2025, we held a 2.7% share of the global oseltamivir phosphate API and intermediate market, according to CIC. Building upon our API expertise, we obtained marketing authorizations for our oseltamivir phosphate capsule in China in 2021 and for our oseltamivir phosphate powder for oral suspension in 2022. We sell oseltamivir phosphate capsules (75mg/capsule) under the brand name "美舒仑®"and powder for oral suspension (0.36g) under the brand name "舒美仑®." Both our oseltamivir phosphate capsules and powder for oral suspension have, since their approvals for marketing, been covered under Part B of the NRDL by reference to their generic names. Our oseltamivir phosphate powder for oral suspension was selected in the eighth batch of national VBP scheme with a procurement cycle of three years, and the relevant VBP results was implemented in July 2023. In March 2026, the national follow-on VBP scheme covering both our oseltamivir phosphate capsules and powder for oral suspension was implemented. See also "— Pricing — VBP Schemes."

Caspofungin Acetate

Caspofungin acetate is a representative antifungal product in our portfolio, generating sales predominately from APIs during the Track Record Period. Caspofungin acetate is a semi-synthetic echinocandin antifungal agent administered intravenously for the treatment of invasive aspergillosis in patients who are refractory to or intolerant of other therapies, candidemia and other forms of invasive candidiasis, and esophageal candidiasis. For the years ended December 31, 2023, 2024 and 2025, we generated RMB84.9 million, RMB119.3 million and RMB108.7 million from the sales of caspofungin acetate, respectively, substantially all of which were from API sales.

The originator drug, Cancidas®, was developed by Merck & Co. Inc. and received its initial regulatory approval in the United States in 2001 as the first echinocandin antifungal agent approved worldwide. As of the Latest Practicable Date, over 20 generic versions had been launched globally. According to CIC, the global caspofungin acetate drug market is expected to grow from US$436.6 million in 2025 to US$602.9 million in 2035. The caspofungin acetate API and intermediate market is expected to grow from US$74.2 million in 2025 to US$100.6 million in 2035.

We sold our caspofungin acetate API products primarily in China, Europe, North America, South America, India, South Korea and Turkey as of the Latest Practicable Date. We obtained marketing authorization for our caspofungin acetate for injection in China in 2020. In the same year, we entered into a technology transfer agreement (as amended in 2022) with Hainan Hailing Chemical Pharmaceutical Co., Ltd. ("**Hailing**"), an Independent Third Party, as we strategically allocate our resources toward our other marketed products — especially those experiencing high growth — and taking into account the consideration offered. Pursuant to this arrangement, we transferred to Hailing our manufacturing process technology, production approvals and all domestic ownership rights relating to caspofungin acetate for injection, and Hailing became the marketing authorisation holder ("**MAH**") for this product in Chinese Mainland. In consideration thereof, Hailing agreed to pay a technology transfer fee totaling up to approximately RMB37.9 million, all of which had been received by us as of the Latest Practicable Date. Upon completion of the MAH transfer, all ownership, production rights and future patent rights in respect of this product within Chinese Mainland belong to Hailing, while we retain our pre-existing intellectual property rights and supply caspofungin acetate APIs to Hailing.

We held a 20.4% share of the global caspofungin acetate API and intermediate market in 2025, according to CIC.

Anidulafungin

Anidulafungin is a key antifungal product in our portfolio, generating sales from APIs/intermediates only during the Track Record Period. Anidulafungin is a semi-synthetic echinocandin antifungal agent indicated for the treatment of candidemia and other forms of Candida infections, including intra-abdominal abscess and peritonitis. For the years ended December 31, 2023, 2024 and 2025, we generated RMB48.9 million, RMB119.7 million and RMB106.5 million from the sales of anidulafungin APIs/intermediates, respectively.

The originator drug, Eraxis®, was developed by Vicuron Pharmaceuticals (now Pfizer) and received FDA approval in 2006. As of the Latest Practicable Date, no generic versions had been launched globally. According to CIC, the anidulafungin API and intermediate market is expected to grow from US$32.8 million in 2025 to US$43.7 million in 2035.

We have achieved a dominant position in the global anidulafungin API and intermediate market, with sales primarily in Europe, India and Turkey as of the Latest Practicable Date. We held a 47.4% share of the global anidulafungin API and intermediate market in 2025, according to CIC.

Fidaxomicin

Fidaxomicin is an antibacterial API product in our portfolio with significant market expansion potential, generating sales from APIs only during the Track Record Period. Fidaxomicin is a macrocyclic antibiotic specifically indicated for the treatment of Clostridioides difficile-associated diarrhea (CDAD) in adults and pediatric patients aged six months and older. For the years ended December 31, 2023, 2024 and 2025, we generated RMB52.6 million, RMB87.0 million and RMB65.0 million from the sales of fidaxomicin APIs, respectively.

The originator drug, Dificid®, developed by Optimer Pharmaceuticals, received the FDA approval in 2011 and remains a premium treatment option due to its superior efficacy in reducing recurrence rates compared to conventional therapies such as vancomycin. The core compound patent for Dificid® in the United States was expired in 2024. As of the Latest Practicable Date, only three generic versions were approved in the United States, and over five generic candidates were under clinical development or had submitted ANDAs globally, driving strong demand for fidaxomicin API. According to CIC, the global fidaxomicin API and intermediate market is expected to grow from US$95.8 million in 2025 to US$149.2 million in 2035.

We sold fidaxomicin API products primarily in the United States and India as of the Latest Practicable Date. We held a 9.4% share of the global fidaxomicin API and intermediate market in 2025, according to CIC.

Eribulin Mesylate

Eribulin mesylate is our flagship oncology product, generating sales from both finished drug products (eribulin mesylate injection) and APIs during the Track Record Period. Eribulin mesylate is a microtubule dynamics inhibitor indicated for the treatment of metastatic breast cancer in patients who have previously received at least two chemotherapeutic regimens. We are the first generic manufacturer of eribulin mesylate injection in the China market, providing us with substantial competitive advantages and growth opportunities in this specialized oncology segment. For the years ended December 31, 2023, 2024 and 2025, we generated RMB34.2 million, RMB77.1 million and RMB32.8 million from the sales of eribulin mesylate, respectively, primarily from API sales. The following is an image of our eribulin mesylate injection.

The originator drug, Halaven®, was developed by Eisai Co., Ltd. and received its first marketing approval in the United States in 2010. As the first approved agent in the halichondrin class, Halaven® represents a novel mechanism of action distinct from traditional microtubule-targeting agents, providing an alternative treatment option for patients with heavily pretreated metastatic breast cancer. The core compound patents for eribulin mesylate have expired in major markets, such as the United States (2023) and China (2019), paving the way for generic development. As of the Latest Practicable Date, there were over 10 generic versions launched globally. However, due to the compound's structurally complex synthesis and stringent impurity

control standards, the number of successful generic entrants in China remains limited. As of the Latest Practicable Date, only five generic versions were launched in China. According to CIC, the global eribulin mesylate drug market is expected to grow from US$209.4 million in 2025 to US$350.0 million in 2035. The global eribulin mesylate API and intermediate market is expected to grow from US$33.5 million in 2025 to US$49.4 million in 2035.

We sold eribulin mesylate APIs primarily in China, the United States, Japan and India as of the Latest Practicable Date. We held a 8.4% share of the global eribulin mesylate API and intermediate market in 2025, according to CIC.

Our eribulin mesylate injection, marketed under the brand name "博立宁®," was approved in 2023 and has, since its approval for marketing, been covered under Part B of the NRDL by reference to its generic name. Our eribulin mesylate injection has not been included in the VBP schemes at the national or provincial levels. For details regarding the inclusion criteria of the VBP schemes, see "— Pricing — VBP Schemes."

Pimecrolimus

Pimecrolimus is our representative product in the immunological field, generating sales from APIs/intermediates only during the Track Record Period. Pimecrolimus cream is a topical immunosuppressant indicated for the treatment of mild to moderate atopic dermatitis in patients aged two years and older. For the years ended December 31, 2023, 2024 and 2025, we generated RMB19.6 million, RMB37.0 million and RMB63.3 million from the sales of pimecrolimus APIs and intermediates, respectively.

The originator drug, Elidel®, was developed by Novartis and received the FDA approval in 2001. As of the Latest Practicable Date, there were over five generic versions launched globally. According to CIC, the global pimecrolimus API and intermediate market is expected to grow from US$53.0 million in 2025 to US$73.2 million in 2035.

We sold pimecrolimus API and intermediate products primarily in China, the United States, Europe and Southeast Asia as of the Latest Practicable Date. In 2025, we held a 16.6% market share in the global pimecrolimus API and intermediate market, according to CIC. Notably, we have secured a strategic position in the pimecrolimus generic market as the exclusive pimecrolimus intermediate supplier to an European partner, who used our intermediates to manufacture APIs and enabled the first U.S.-based company to secure FDA ANDA approval for pimecrolimus. We entered into a supply and commercialization agreement with this European partner in 2015, pursuant to which we granted to the European partner an exclusive worldwide license under our relevant background intellectual property and know-how to manufacture, commercialize and sell pimecrolimus APIs, while we serve as the exclusive supplier of the key intermediates required. We retain the right to manufacture and sell pimecrolimus API/intermediate products to certain pre-existing customers and customers not included in the designated customer list under the agreement. We are entitled to receive (i) two-thirds of net sales derived from qualifying sales made in support of downstream customers' R&D and regulatory activities, and (ii) 50% of net profits derived from commercial sales for an initial term of 15 years following first commercial launch, subject to annual extension by mutual agreement. We retain ownership of all background intellectual property, while the European partner owns and controls the regulatory approvals obtained during the collaboration and retains the right, following termination or expiry of the agreement, to continue selling pimecrolimus APIs based on such approvals.

Dalbavancin

Dalbavancin is a representative antibacterial product in our portfolio, generating sales from APIs only during the Track Record Period. Dalbavancin is a second-generation, semi-synthetic lipoglycopeptide antibacterial agent administered intravenously for the treatment of acute bacterial skin and skin structure infections ("**ABSSSI**") caused by designated susceptible strains of

Gram-positive microorganisms. For the years ended December 31, 2023, 2024 and 2025, we generated RMB35.4 million, RMB21.2 million and RMB93.6 million from the sales of dalbavancin APIs, respectively.

The originator drug, Dalvance®, has been approved in the United States, Europe and Canada. As of the Latest Practicable Date, four generic versions were approved globally. According to CIC, the global dalbavancin API and intermediate market is expected to grow from US$59.7 million in 2025 to US$86.0 million in 2035.

We sold dalbavancin API products primarily in Europe and the United States as of the Latest Practicable Date. In 2025, we held a 21.8% market share in the global dalbavancin API and intermediate market, according to CIC.

Our Product Candidates

Our product development strategy encompasses both innovative therapeutics and generic drugs, with each segment leveraging complementary approaches to capture market opportunities and strengthen competitive positioning. As of the Latest Practicable Date, we had six major innovative drug candidates. We also continue to develop specialty APIs and intermediates, building on our nearly 15 years of established experience in this business, which remains one of our important revenue drivers.

Metabolic Diseases

Metabolic diseases represent our primary innovation focus, demonstrating our R&D capabilities while positioning us to capture significant opportunities in this rapidly expanding healthcare market. Our metabolic disease pipeline targets therapeutic areas with fast-growing patient populations and persistent gaps in therapeutic efficacy. This portfolio is anchored by our two lead innovative drug candidates: BGM0504, our GLP-1/GIP dual agonist targeting T2DM and obesity/overweight, and BGM1812, our long-acting amylin analog, each developed in both injectable and oral dosage forms to maximize patient accessibility.

BGM0504, GLP-1/GIP Dual Agonist for T2DM and Obesity/Overweight with Global Best-in-Class Potential

Overview

BGM0504 is a next-generation GLP-1/GIP dual agonist designed to address the limitations of current incretin-based therapies, including GLP-1 receptor agonists, for T2DM and obesity/overweight.

T2DM and obesity/overweight are among the most prevalent and rapidly rising chronic metabolic diseases globally, affecting 552.0 million and 2,696.6 million people in 2025, respectively. While semaglutide and tirzepatide represent major therapeutic advances, important limitations remain, including gastrointestinal side effects, high discontinuation rates in real-world use, and lack of durable disease modification once treatment is discontinued. Moreover, despite strong efficacy relative to existing options, many patients continue to experience only partial or unsubstantial responses, underscoring the need for safer, more effective, and longer-lasting therapies that can offer comprehensive benefits across glucose, weight, and cardiometabolic outcomes.

BGM0504 was developed through rational structural optimizations to enhance dual receptor activity while maintaining a prolonged half-life. With its innovative molecular design, BGM0504 showed promising efficacy advantages in preclinical studies. BGM0504 has shown robust and sustained efficacy in clinical trials across both T2DM and obesity/overweight indications. In a head-to-head phase 2a trial against semaglutide for T2DM, BGM0504 achieved superior glycemic control with a favorable safety and tolerability profile. BGM0504 also demonstrated rapid, dose-dependent weight loss of up to 19.78% at 30 weeks in its phase 2 trial in obesity/overweight patients without diabetes, along with meaningful improvements in cardiovascular and lipid parameters.

We have established a comprehensive global clinical development plan for BGM0504. Phase 3 clinical trials of BGM0504 injection for both T2DM and obesity/overweight are ongoing in China, which are expected to be completed in 2026. In the United States, the world's largest obesity/overweight drug market, we completed a bridging study for BGM0504 injection in March 2025. We are in communication with the FDA regarding our plan to initiate a phase 3 trial for obesity/overweight. BGM0504 injection is also undergoing a phase 3 clinical trial for T2DM in Indonesia. We are actively preparing for the expansion of BGM0504 injection's clinical development plans in other Asian markets.

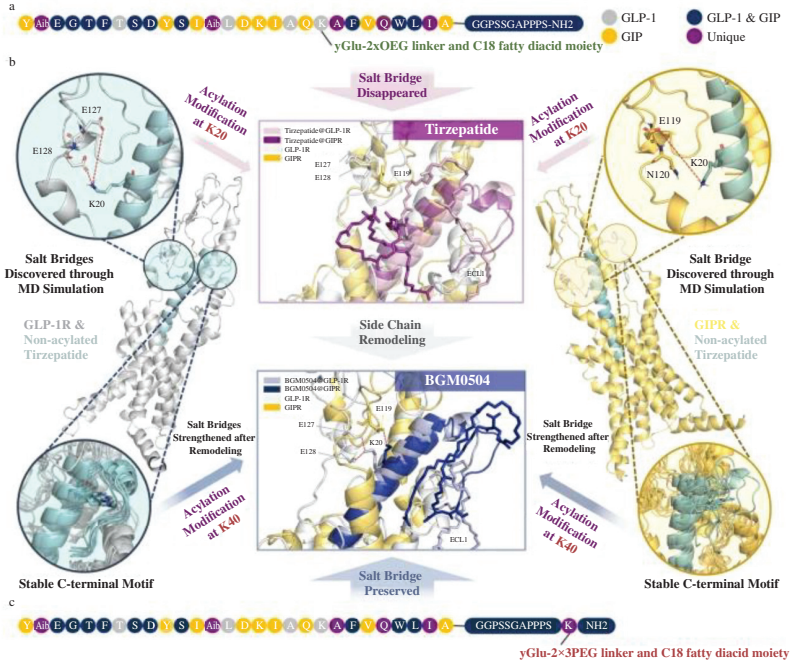
To further improve the convenience of administration, we are also developing BGM0504 tablets and initiated phase 1 clinical trials in non-diabetic adult subjects with obesity/overweight in the U.S. in August 2025 and in China in October 2025. In addition, BGM0504 may serve as a backbone therapy that can be optimized for different patient populations through multi-pathway targeting. We are developing BGM2102, which combines BGM0504 with BGM1812, our in-house developed long-acting amylin analog, to potentially enhance weight loss while reducing muscle loss in obesity/overweight patients by leveraging complementary appetite and metabolic pathways. For T2DM patients, we are developing BGM2101, which pairs BGM0504 with a once-weekly long-acting insulin analog to deliver comprehensive glycemic control while preserving the weight benefits of GLP-1 therapy. With its differentiated profile, broad therapeutic potential, and comprehensive development strategy, we believe BGM0504 is well-positioned to become a potentially global best-in-class therapeutic for patients with T2DM, obesity/overweight, and related metabolic disorders.

Drug Design and Mechanism of Action

GLP-1 and GIP are incretin hormones secreted by intestinal L-cells and K-cells, respectively. They regulate glucose homeostasis through multiple pathways, including enhancing insulin secretion, suppressing glucagon release, promoting glucose uptake, and slowing gastric emptying. GLP-1 and GIP receptor agonists activate these pathways in a glucose-dependent manner, making them effective therapies for T2DM and obesity/overweight. Tirzepatide, the first and only approved GLP-1/GIP dual agonist, has demonstrated superior clinical efficacy compared to certain single-target GLP-1 receptor agonists.

Through AI and computational modeling, we conducted an in-depth study of the molecular elements essential for GLP-1/GIP dual agonism. Leveraging our peptide technology platform, we employed novel molecular modifications that endowed BGM0504 with a more compact and optimized spatial configuration, avoiding both the disruption of α-helical structure caused by conventional acylation and the steric hindrance issues inherent to the existing GLP-1/GIP dual agonist, thereby increasing agonistic activity while maintaining prolonged plasma half-life. As a result, BGM0504 achieves potent dual-receptor agonism, while maintaining favorable PK profile which supports once-weekly dosing.

The figure below illustrates a structural comparison between BGM0504 and tirzepatide.



Source: Yuan, J., Liu, W., Jiang, X. et al. Molecular dynamics-guided optimization of BGM0504 enhances dual-target agonism for combating diabetes and obesity. Sci Rep 14, 16680 (2024).

Market Opportunities and Competition

See "Industry Overview — Overview of the Global and China Metabolic Disease Market — Overview of GLP-1 Therapies" and "— Key Therapeutic Areas within the Metabolic Disease Market" for details.

Competitive Advantages

- *Optimized design with enhanced potency and prolonged duration*. Through AI and computational modeling, we identified molecular elements essential for GLP-1/GIP dual agonism, which informs our strategic selection of modification sites that optimizes drug properties while preserving therapeutic efficacy. Leveraging our peptide technology platform, we employed novel molecular modifications that establish a pivotal salt bridge with receptors, resulting in enhanced receptor activation. Additionally, introduction of functional acylation side chains gave BGM0504 a more compact and optimized spatial configuration, thereby maintaining prolonged plasma half-life with enhanced stability and receptor binding affinity. As a result, BGM0504 achieves potent dual-receptor agonism while maintaining favorable PK profile which supports once-weekly dosing.

  With its innovative molecular design, BGM0504 showed promising efficacy advantages in preclinical studies. Specifically, BGM0504 exhibited EC_{50} values of 0.031 nM and 0.182 nM at GLP-1 and GIP receptors, respectively, demonstrating a twofold to threefold increase in agonistic activity compared to tirzepatide and therefore the potential for enhanced glucose-lowering and weight loss outcomes. These attributes position BGM0504 as a potential global best-in-class therapy for T2DM and obesity/overweight treatment.

- *Robust clinical efficacy and favorable safety profile*. Based on clinical evidence available to date, BGM0504 has shown strong efficacy in glycemic control, weight reduction, and treatment of other comorbidities. In our head-to-head phase 2a clinical trial against

semaglutide in patients with T2DM, BGM0504 demonstrated efficacious glycemic control across three dose groups: after treatment completion, HbA1c reductions were 1.99%, 2.21% and 2.76%, respectively, compared to 1.71% in the 1 mg semaglutide group. Achievement of the therapeutic target of HbA1c < 7.0% was observed in 76.9%, 81.8%, and 91.7% of subjects in the 5 mg, 10 mg, and 15 mg BGM0504 groups, respectively, compared to 75.0% in the 1 mg semaglutide group. 50% of the subjects in the 15 mg BGM0504 group achieved normal glycemic control (HbA1c < 5.7%), compared to 12.5% in the 1 mg semaglutide group.

Notably, BGM0504' s potential to address the complex therapeutic needs of T2DM patients was evident with 41.7% of the subjects in the 15 mg BGM0504 group achieving both the glycemic control target (HbA1c < 6.5%) and significant weight loss (≥10%) — a challenging composite endpoint that addresses T2DM's metabolic complexity. Furthermore, BGM0504 has shown favorable safety, with AEs primarily at grade 1–2, with no hypoglycemia or unexpected adverse reactions.

In its phase 2 trial in obesity/overweight patients without diabetes, BGM0504 demonstrated substantial and dose-dependent weight reduction effects and a favorable safety profile. After 6, 8 and 10 weeks of treatment (including dose titration), respectively, subjects in the 5 mg, 10 mg, and 15 mg BGM0504 groups achieved weight reductions of 5.22%, 6.97%, and 9.53% from baseline, respectively. At week 14, 16, 18, weight reductions were 8.37%, 11.96%, and 13.83% in these dose groups, respectively. At week 26, 28 and 30, weight reductions further increased to 10.77%, 16.21%, and 19.78%, respectively. Significant weight reductions of ≥5%, ≥10%, and ≥15% were observed in all BGM0504 groups ($p < 0.01$), with ≥20% reductions achieved in the 10 mg and 15 mg groups ($p < 0.05$). These weight reductions were accompanied by significant improvements in several other cardiometabolic parameters, including waistline reduction ranging from 8.0 cm to 12.98 cm, and meaningful blood pressure improvements.

- *Significant market opportunity for oral GLP-1 agonists*. The global demand for oral GLP-1 agonists is substantial, fueled by strong patient preference for oral administration over injectables and the potential to expand treatment accessibility. While GLP-1/GIP dual agonists demonstrate enhanced efficacy, no oral dosage forms had been approved as of the Latest Practicable Date, representing a significant unmet need. According to CIC, the market size of oral GLP-1 agonists was US$3.5 billion in 2025 and is expected to reach US$59.6 billion in 2035, representing a CAGR of 23.7% from 2026 to 2035. By comparison, the market size of injectable GLP-1 agonists was US$76.9 billion in 2025 and is expected to reach US$144.7 billion in 2035, representing a CAGR of 6.4% from 2026 to 2035.

  We believe successful GLP-1 therapies require optimization across both molecular design and administration route — with the latter directly affecting bioavailability, dosing frequency, and ultimately, patient adherence. Leveraging our expertise in formulation science and delivery systems, we are developing BGM0504 tablets, which have the potential to overcome the bioavailability challenges inherent to peptide drugs and significantly improve patient adherence. We have initiated phase 1 clinical trials for BGM0504 tablets for the treatment of obesity/overweight in the U.S. and China. As of the Latest Practicable Date, in terms of development progress, we were one of the only three oral GLP-1/GIP dual agonist candidates at clinical stage globally.

- *Multi-pathway combination programs addressing different patient populations.* BGM0504 may serve as a backbone therapy that can be optimized for different patient populations through multi-pathway targeting. We are developing BGM2102, which combines BGM0504 with BGM1812, our in-house developed long-acting amylin analog, to potentially enhance weight loss while reducing muscle loss in obesity/overweight patients by leveraging complementary appetite and metabolic pathways. Mechanistically, BGM0504 targets GLP-1/GIP pathways for glucose control and appetite regulation, while BGM1812 acts through amylin/calcitonin receptors to delay gastric emptying and promote satiety — their complementary mechanisms therefore potentially deliver synergistic efficacy that surpasses single-target therapies. This combination therapy is designed to address the clinical needs of two key patient populations — individuals seeking high-quality weight management outcomes, and severely obese patients with weight loss targets of 20–25% or greater. We plan to initiate clinical trials for BGM2102 in the U.S. in the fourth quarter of 2026 and in China in early 2027, potentially positioning it among the world's first three clinical-stage combination therapies to simultaneously target GLP-1, GIP and amylin pathways.

  For T2DM patients, we are developing BGM2101, which pairs BGM0504 with a once-weekly long-acting insulin analog to deliver comprehensive glycemic control while preserving the weight benefits of GLP-1 therapy. BGM2101 is designed to address inadequate glycemic control with existing therapies and frequent short-acting insulin use, potentially reducing insulin dosage requirements and hypoglycemic risks. These strategic combinations demonstrate both our product advantages — including superior pharmacological profiles and multi-pathway mechanisms — and the synergies within our pipeline, where proprietary assets can be integrated to create differentiated therapies that achieve outcomes beyond monotherapy.

- *Immense therapeutic potential for T2DM, obesity/overweight and beyond.* BGM0504's addressable market is immense and rapidly growing. T2DM — the most prevalent form of diabetes — affected 552.0 million patients globally and 129.8 million in China in 2025, with projections indicating significant increases to 632.5 million globally and 143.9 million in China by the end of 2035. Obesity/overweight, recognized by the WHO as a key driver of chronic diseases, affected 2,696.6 million individuals globally and 664.0 million in China in 2025, which are expected to rise substantially to 3,426.7 million globally and 847.5 million in China by the end of 2035. GLP-1 receptor agonists, which have emerged as mainstream treatments for T2DM and obesity/overweight, generated global sales of US$80.4 billion in 2025 (US$2.1 billion in China), which is expected to reach US$204.3 billion in 2035 (US$25.5 billion in China).

  We believe BGM0504, with its global best-in-class potential, can deliver superior therapeutic options for T2DM and obesity/overweight patients worldwide and compete effectively in this rapidly expanding market. Beyond these primary indications, BGM0504 is well positioned to address other related metabolic conditions. Metabolic dysfunction rarely occurs in isolation, creating demand for treatments that address multiple metabolic disorders simultaneously. With enhanced GLP-1/GIP dual agonism, BGM0504 has the potential to achieve therapeutic effects across the interconnected spectrum of metabolic diseases, such as obstructive sleep apnea and MASH, significantly expanding its addressable market.

Summary of Clinical Trial Data

The following tables set forth an overview of the completed and ongoing clinical trials of BGM0504 injection and BGM0504 tablets, respectively.

BGM0504 Injection

Study Name (NCT/CTR number)	Study Design	Trial Phase	Trial Status	Region	Trial Start Date	(Planned) Trial Completion Date
Phase 2 and 3						
T2DM						
BGM0504-Ⅲ-T2DM-02-IDN (NCT07064486)[1]	A phase 3, randomized, open label trial to evaluate the efficacy and safety of BGM0504 versus semaglutide as add-on therapy to metformin (with or without sulfonylureas) in patients with T2DM	Phase 3	Ongoing	Indonesia	July 2025	(H2 2027)
BGM0504-Ⅲ-T2DM-02 (NCT06716216/ CTR20244493)[1]	A phase 3, randomized, open label trial to evaluate the efficacy and safety of BGM0504 versus semaglutide as add-on therapy to metformin (with or without sulfonylureas) in patients with T2DM	Phase 3	Ongoing	China	November 2024	(Q4 2026)
BGM0504-Ⅲ-T2DM-01 (NCT06716203/ CTR20244494)	A multicenter, randomized, double-blind, placebo-controlled phase 3 clinical trial to evaluate the efficacy and safety of BGM0504 in patients with T2DM with poor glycemic control through diet and exercise alone	Phase 3	Ongoing	China	December 2024	(Q4 2026)
BGM0504-IIa-T2DM (NCT06974825/ CTR20232464)[1]	A randomized, double-blind, placebo and semaglutide parallel-controlled phase 2a clinical trial to evaluate the safety, tolerability, PK and PD of multiple-dose BGM0504 injection in patients with T2DM	Phase 2a	Completed	China	August 2023	August 13, 2024
Obesity/Overweight						
BGM0504-Ⅲ-WL (NCT06704581/ CTR20243983)	A multicenter, randomized, double-blind, placebo-controlled phase 3 clinical study to evaluate the efficacy and safety of BGM0504 injection in Chinese non-diabetic subjects with obesity/ overweight	Phase 3	Ongoing	China	October 2024	(Q2 2026)
BGM0504-II-WL-02 (NCT06911203/ CTR20251037)[2]	A multicenter, randomized, open-label phase 2 clinical trial to evaluate the efficacy and safety of BGM0504 at higher-doses compared with tirzepatide in adults with obesity	Phase 2	Ongoing	China	April 2025	(Q3 2026)
BGM0504-II-WL (NCT06973681/ CTR20233198)	A randomized, double-blind, placebo-controlled, parallel-group phase 2 clinical trial to evaluate the safety, tolerability, PK/PD profile and efficacy of multiple doses of BGM0504 injection in non-diabetic subjects with obesity/ overweight	Phase 2	Completed	China	October 2023	September 13, 2024
Phase 1						
BGM0504-I-101 (NCT06929156/ CTR20251294)	A multicenter, single-dose, open-label, parallel-design PK study of BGM0504 injection in healthy subjects and subjects with impaired renal function	Phase 1	Completed	China	May 2025	December 25, 2025
BGM0504-DDI (NCT06920056/ CTR20250891)	A study to evaluate the gastric emptying delay effect of BGM0504 injection and its drug-drug interactions with metformin hydrochloride and warfarin sodium tablets in patients with obesity/overweight	Phase 1	Completed	China	March 2025	July 25, 2025

Study Name (NCT/CTR number)	Study Design	Trial Phase	Trial Status	Region	Trial Start Date	(Planned) Trial Completion Date
BGM0504-P1-001-US (NCT06714955)	A double-blind, parallel-arm, placebo-controlled, multiple-dose phase 1 clinical trial to evaluate the PK/PD, safety and tolerability of BGM0504 injection administered subcutaneously in non-diabetic subjects with obesity/ overweight	Bridging Study	Completed	United States	October 2024	March 3, 2025
BGM0504-Ia (CTR20230120)	A randomized, double-blind, placebo-controlled, dose-escalation phase 1a clinical study designed to evaluate the safety, tolerability, PK/PD of BGM0504 injection in healthy subjects following a single dose and two once-weekly doses with gradual dose escalation to the target dose	Phase 1a	Completed	China	January 2023	April 25, 2023

Notes:

(1) Head-to-head study with semaglutide.

(2) Head-to-head study with tirzepatide.

BGM0504 Tablets

Study Name (NCT/CTR number)	Study Design	Trial Phase	Trial Status	Region	Trial Start Date	(Planned) Trial Completion Date
BGM0504-CPK-102 (NCT07566572/ CTR20260967)	A randomized, open-label, multiple-dose phase 1 clinical study to evaluate the effect of a high-fat meal and different dosing conditions (including water intake and fasting time) on the PK of BGM0504 tablets at a dose of 20 mg in healthy Chinese subjects	Phase 1	Ongoing	China	March 2026	(Q4 2026)
BGM0504-CPK-101 (NCT07239973/ CTR20253763)	A randomized, double-blind phase 1 clinical trial to evaluate the safety, PK/PD of BGM0504 tablets in healthy Chinese subjects and non-diabetic patients with obesity/overweight following single and multiple dose titration	Phase 1	Ongoing	China	October 2025	(Q2 2026)
BGM0504 Oral-P1-CPK01-US (NCT07166081)	A double-blind, randomized, ascending-dose, placebo-controlled, multiple-dose phase 1 clinical trial to evaluate the PK/PD, safety and tolerability of orally administered BGM0504 tablets in non-diabetic subjects with obesity/overweight	Phase 1	Ongoing	United States	August 2025	(Q2 2026)

A summary of key phase 3 clinical trials of BGM0504 injection for T2DM and obesity/overweight patients is set forth below:

Phase 3 Clinical Trial in T2DM Patients versus Semaglutide in China (NCT06716216/CTR20244493)

This is a phase 3 clinical trial to evaluate the efficacy and safety of BGM0504 versus semaglutide as add-on to metformin and/or sulfonylureas in patients with T2DM in China.

Trial design. This study consists of a screening period, a placebo lead-in period, a treatment period (including dose titration period) and a safety followed-up period. It may include an additional metformin dose titration and stabilization period between screening period and placebo lead-in period. A total of 537 subjects with T2DM are expected to be enrolled and randomized into

three treatment groups: a group receiving 5 mg BGM0504, a group receiving 10 mg BGM0504, and a control group receiving 1 mg semaglutide. All subjects will be administered subcutaneously once a week.

The key inclusion criteria for the trial include: adults diagnosed with T2DM; receiving metformin therapy at a stable dose for at least 8 weeks prior to screening, either as monotherapy (≥1500 mg/day or maximum tolerated dose but ≥1000mg daily) or in combination with sulfonylureas at minimum therapeutic dose with stable treatment for ≥8 weeks; a body mass index of at least 23 kg/m^2 at screening; stable body weight (± 5%) for at least three months before screening; HbA1c levels between 7.5% and 11.0% at screening (7.0% and 10.5% at baseline).

Trial objectives. The primary efficacy endpoint is the change from baseline in HbA1c after 32 weeks of treatment. The secondary efficacy endpoints primarily include changes from baseline in HbA1c, body weight, plasma glucose, body mass index, waist circumference, and blood lipids after 12, 24, 32, 44 and 52 weeks, and the percentages of subjects achieving HbA1c target value of < 7%, < 6.5% and < 5.7% after 12, 24, 32, 44 and 52 weeks. The safety endpoints primarily include AEs, laboratory tests, vital signs, physical examinations, 12-ECG, hypoglycemic events, and injection site reactions.

Trial status. The first patient was enrolled in January 2025. We expect to complete this trial in the fourth quarter of 2026.

Phase 3 Clinical Trial in Poorly Controlled T2DM Patients Only Through Diet and Exercise in China (NCT06716203/CTR20244494)

This is a multicenter, randomized, double-blind, placebo-controlled phase 3 clinical study to evaluate the efficacy and safety of BGM0504 in patients with T2DM with poor glycemic control only through diet and exercise.

Trial design. This study consists of a screening period, a placebo lead-in period, a treatment period (including dose titration period), a extended treatment period and a safety follow-up period. A total of 207 subjects with T2DM are expected to be randomized into three treatment groups: a group receiving 5 mg BGM0504, a group receiving 10 mg BGM0504, and a placebo group. All subjects are administered subcutaneously once a week.

The key inclusion criteria for the trial include: adults diagnosed with T2DM; a body mass index of at least 23 kg/m^2 at screening; stable body weight (± 5%) for at least three months before screening; HbA1c levels between 7.5% and 11.0% at screening (7.0% and 10.5% at baseline); FPG level no more than 15.0 mmoL/L at screening (13.3 mmoL/L at baseline).

Trial objectives. The primary efficacy endpoint is the change from baseline in HbA1c after 32 weeks of treatment. The secondary efficacy endpoints primarily include changes from baseline in HbA1c, body weight, plasma glucose, body mass index, waist circumference, and blood lipids after 12, 24, 32, 44 and 52 weeks, and the percentages of subjects achieving HbA1c target value of < 7%, ≤ 6.5% and < 5.7% after 12, 24, 32, 44 and 52 weeks. The safety endpoints primarily include AEs, laboratory tests, vital signs, physical examinations, coagulation function, 12-ECG, hypoglycemic events, and injection site reactions.

Trial status. The first patient was enrolled in January 2025. We expect to complete this trial in the fourth quarter of 2026.

Phase 3 Clinical Trial in Subjects with Obesity/Overweight in China (NCT06704581/CTR20243983)

This is a multicenter, randomized, double-blind, placebo-controlled phase 3 clinical study to evaluate the efficacy and safety of BGM0504 injection in Chinese non-diabetic subjects with obesity/overweight.

Trial design. This study consists of a screening period, a treatment period (including dose titration period), and a safety follow-up period. A total of 620 non-diabetic subjects with obesity/overweight who have demonstrated inadequate weight loss with diet and exercise interventions alone, are expected to be randomized into four treatment groups: three groups receiving 5 mg, 10 mg, 15 mg BGM0504, respectively, and a placebo group. All subjects will be administered subcutaneously once a week.

The key inclusion criteria for the trial include: adults with a body mass index of at least 28 kg/m^2, or between 24.0 kg/m^2 and 28.0 kg/m^2 with at least one weight-related comorbidity. Subjects are required to have stable body weight (< 5% change) following diet and exercise for at least 12 weeks prior to screening.

Trial objectives. The primary efficacy endpoints are the change from baseline in body weight after 36 weeks of treatment and percentage of subjects achieving ≥5% body weight reduction. The secondary efficacy endpoints primarily include changes from baseline in body weight, waist circumference, body mass index, lipid levels, FPG and HbA1c, and the percentages of subjects achieving over 5%, 10%, 15% and 20% body weight reduction. The safety endpoints primarily include AEs, vital signs, 12-ECG, physical examinations, laboratory tests, hypoglycemic events, and injection site reactions.

Trial status. The first patient was enrolled in October 2024. We were preparing the clinical study report as of the Latest Practicable Date and expect to complete this trial in the second quarter of 2026.

Clinical Development Plan

We have established a comprehensive global clinical development plan for BGM0504, as set forth in details below.

T2DM. We have initiated phase 3 clinical trials for BGM0504 injection for the treatment of T2DM in China and Indonesia. We expect to complete the phase 3 clinical trials in China in the fourth quarter of 2026 and in Indonesia in the second half of 2027.

Obesity/Overweight. We have initiated a phase 3 clinical trial for BGM0504 injection for the treatment of obesity/overweight in China, which we plan to complete in the second quarter of 2026. Following the completion of our bridging study in the United States in March 2025, we are in communication with the FDA regarding our plan to initiate a phase 3 trial for BGM0504 injection for the treatment of obesity/overweight in the United States.

Oral Dosage Form. We are developing BGM0504 tablets to further improve the convenience of administration. We initiated phase 1 clinical trials for BGM0504 tablets for the treatment of obesity/overweight in the U.S. in August 2025 and in China in October 2025. We expect to complete these trials in the second quarter of 2026.

Material Communications with Competent Authorities

BGM0504 Injection

China

We submitted an IND application to the NMPA in September 2022 to initiate the clinical development of BGM0504 injection for the treatment of T2DM, which was approved in December 2022. We initiated a phase 1a clinical trial (BGM0504-Ia) in healthy subjects in January 2023 and completed this trial in April 2023. We then initiated a phase 2a clinical trial (BGM0504-IIa-T2DM) in patients with T2DM in August 2023 and completed this trial in August 2024. In September 2024, following the completion of the phase 2a clinical trial, we conducted the pre-phase 3 communication with the CDE regarding the subsequent phase 3 development plan of BGM0504 injection for T2DM. The CDE had no objection to our proceeding with two phase 3 trials in China, and provided

comments on certain aspects of the phase 3 trial design, including treatment duration and timing of primary endpoint assessment. The two trials, namely BGM0504-III-T2DM-02 as an add-on therapy and BGM0504-III-T2DM-01 as a monotherapy, commenced in November 2024 and December 2024, respectively, both of which were ongoing as of the Latest Practicable Date and are intended to constitute part of the registrational clinical data package for our planned NDA submission for BGM0504 injection for the treatment of T2DM. In line with Technical Guideline for Clinical Development of Drugs for Adult Type 2 Diabetes Mellitus (《成人2型糖尿病藥物臨床研發技術指導原則》) ("**T2DM Guideline**") issued by the CDE, we designed and conducted the two phase 3 trials to evaluate BGM0504 injection across different treatment settings: the monotherapy trial aims to evaluate BGM0504 as a standalone treatment, while the add-on therapy trial aims to assess BGM0504 in combination with existing antidiabetic therapies. The two trials are complementary rather than duplicative, and are expected to provide clinical evidence to support the efficacy and safety of BGM0504 across different T2DM patient populations and treatment scenarios, which may in turn support a broader label for the treatment of T2DM, subject to regulatory review and approval. Upon successful completion of these two phase 3 trials, we expect to submit an NDA to the NMPA in the fourth quarter of 2026.

We submitted an IND application to the NMPA in September 2022 to initiate clinical development of BGM0504 injection for the treatment of obesity/overweight, which was approved in December 2022. Following the completion of phase 1a trial (BGM0504-Ia) in healthy subjects in April 2023, we initiated the phase 2 clinical trial (BGM0504-II-WL) in non-diabetic overweight/obese subjects in October 2023, which was completed in September 2024. In October 2024, we conducted the pre-phase 3 communication with the CDE regarding the subsequent phase 3 development plan of BGM0504 injection for obesity/overweight. The CDE had no objection to our proceeding with the phase 3 clinical study (BGM0504-III-WL) and provided comments with respect to, among other things, the assessment timepoint for the primary efficacy endpoint, the potential impact of the dose escalation interval on weight reduction efficacy, long-term safety exposure requirements, and statistical analysis details for the proposed phase 3 study. We initiated the phase 3 trial in October 2024, for which we were preparing the clinical study report as of the Latest Practicable Date. In April 2025, we initiated a head-to-head phase 2 clinical trial (BGM0504-II-WL-02) to evaluate the efficacy and safety of higher-doses of BGM0504 injection — specifically 20 mg and 25 mg — in adults with obesity compared with tirzepatide. This additional phase 2 trial is exploratory in nature and is designed to inform our future clinical development strategy for higher-dose regimens of BGM0504 injection in obesity, including potential further clinical studies and label expansion, subject to trial results and regulatory feedback.

In parallel with the phase 3 trial for the treatment of obesity/overweight, we conducted two supportive phase 1 clinical pharmacology studies recommended by the T2DM Guideline, including a DDI study (BGM0504-DDI) which was initiated in March 2025 and completed in July 2025, and a renal impairment PK study (BGM0504-I-101) which was initiated in May 2025 and completed in December 2025. These studies were designed to further characterize the clinical pharmacology profile of BGM0504 injection, including its effect on gastric emptying, potential DDIs with selected oral medications, and PK profile in subjects with impaired renal function. These phase 1 studies are not first-in-human, dose-escalation or dose-selection studies, and are not intended to determine whether BGM0504 injection may proceed to phase 2 or 3 clinical development. Rather, they are intended to supplement the clinical pharmacology, DDI, special population, safety and labeling information package for future NDA submission and risk management.

The U.S.

We submitted an IND application to the FDA in August 2024 to initiate a phase 1 bridging study (BGM0504-P1–001-US) to evaluate the PK/PD, safety and tolerability of BGM0504 injection administered subcutaneously in non-diabetic subjects with obesity/overweight in the U.S. We obtained the IND approval from the FDA in September 2024, and subsequently commenced this bridging study in October 2024 and completed this trial in March 2025. The study was intended to provide bridging clinical data to support the future development of BGM0504 in the U.S. Following

the completion of the bridging study, we are in ongoing communication with the FDA regarding our subsequent clinical development plan for BGM0504 injection in obesity/overweight, including our plan to initiate a phase 3 clinical trial in the U.S.

Indonesia

In September 2024, we submitted a phase 3 clinical trial application for BGM0504 injection in T2DM to the Indonesian Food and Drug Authority (Badan Pengawas Obat dan Makanan, or BPOM). Prior to commencement of the trial, we obtained the requisite local ethics committee approval in March 2025 and BPOM approval in April 2025. We commenced the phase 3 clinical trial (BGM0504-Ⅲ-T2DM-02-IDN) in July 2025, which was ongoing as of the Latest Practicable Date.

BGM0504 Tablets

China

In July 2025, we submitted an IND application to the NMPA to initiate clinical development of BGM0504 tablets for the treatment of obesity/overweight in China, which was approved in September 2025. We subsequently commenced a phase 1 dose-escalation clinical trial (BGM0504-CPK-101) in China in October 2025 to evaluate the safety, tolerability, PK and PD of BGM0504 tablets, for which we were preparing the clinical study report as of the Latest Practicable Date. In March 2026, we further initiated a separate, complementary phase 1 clinical trial (BGM0504-CPK-102) in China to evaluate the effects of food and dosing conditions on the PK profile of BGM0504 tablets, which is designed to support product labeling and dosing instructions.

The U.S.

In June 2025, we submitted an IND application to the FDA to initiate clinical development of BGM0504 tablets for the treatment of obesity/overweight in the U.S. We obtained the IND approval from the FDA in August 2025 and subsequently commenced a phase 1 clinical trial (BGM0504 Oral-P1-CPK01-US) in the same month, for which we were preparing the clinical study report as of the Latest Practicable Date.

BGM1812, Long-acting Amylin Analog for Obesity/Overweight

Overview

BGM1812 is a long-acting amylin analog designed to offer a novel and differentiated approach to treat obesity/overweight. Obesity/overweight is one of the most pressing public health challenges and is anticipated to affects over 3,426.7 million people globally in 2035 at a CAGR of 2.4% from 2026 to 2035. Existing therapies, including single-target GLP-1 receptor agonists, remain constrained by important limitations such as loss of lean muscle mass during weight reduction, gastrointestinal adverse events, and limited durability of effect. A meaningful proportion of patients continue to fall short of achieving clinically significant and sustainable weight loss while maintaining metabolic health. Accordingly, there remains a substantial unmet need for next-generation obesity/overweight therapies that can deliver more effective, durable outcomes and broader metabolic benefits beyond weight loss alone.

BGM1812 activates both amylin and calcitonin receptors to enhance satiety, delay gastric emptying, and preserve lean body composition. It is designed to reduce muscle loss during weight loss, a critical differentiator for long-term metabolic health and sustainable weight management.

We are advancing BGM1812 toward clinical development with first-in-human studies initiated in the U.S. in October 2025 and in China in December 2025. Additionally, BGM1812's distinct mechanism of action presents compelling opportunities for combination therapy with our GLP-1/GIP dual agonist BGM0504. We plan to initiate clinical trials for BGM2102, a fixed-dose combination of BGM1812 and BGM0504, in the U.S. in the fourth quarter of 2026 and in China in early 2027, potentially positioning it among the world's first three clinical-stage combination

therapies to simultaneously target GLP-1, GIP and amylin pathways. With its differentiated design, superior preclinical profile, and strategic combination potential, BGM1812 is positioned to become a transformative therapeutic option for patients requiring comprehensive and sustainable obesity/overweight treatment.

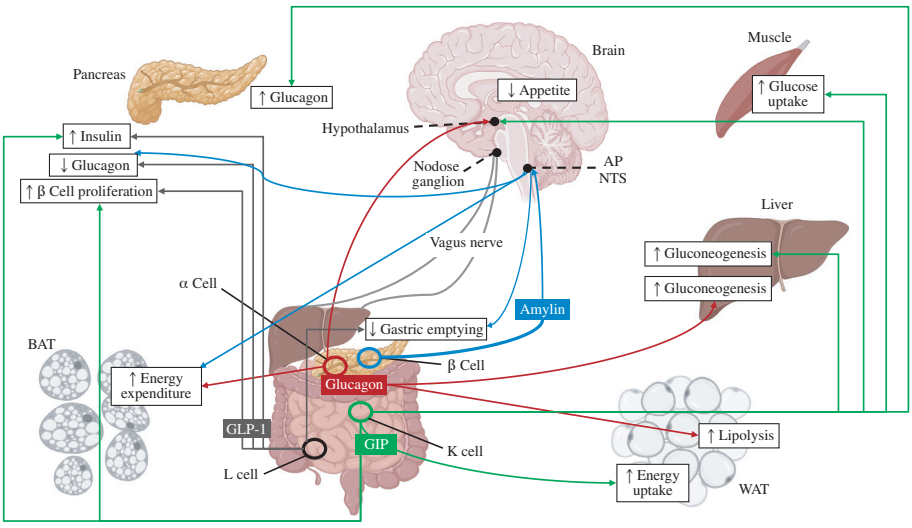
Drug Design and Mechanism of Action

Amylin is a polypeptide hormone secreted by pancreatic β cells that regulates blood glucose levels and food intake through a mechanism distinct from GLP-1. Unlike GLP-1 receptor agonists that primarily reduce appetite directly and are often associated with gastrointestinal side effects, loss of lean muscle mass, and weight rebound, amylin's physiological mechanism focuses on satiety regulation, controlling food intake through enhanced satiety signals rather than appetite suppression. This mechanism can potentially reduce gastrointestinal side effects and provides important benefits for medium to long-term weight management and glycemic control.

Amylin's metabolic regulatory functions are mediated by amylin receptors (AMYRs), which are primarily responsible for suppressing food intake, slowing gastric emptying, and enhancing satiety. They are heterodimeric receptors composed of the calcitonin receptor (CTR) and one of three receptor activity-modifying proteins (RAMP1, RAMP2, or RAMP3), yielding AMY_1R, AMY_2R, and AMY_3R subtypes. When activated independently, CTR plays a critical role in increasing energy expenditure, reducing fat mass, and preserving lean body mass — effects that are distinct from and additive to those mediated by AMYRs.

BGM1812 is a novel dual amylin and calcitonin receptor agonist (DACRA) designed to maximize therapeutic potential through simultaneous activation of both AMYR and CTR pathways. By co-activating both AMYR and CTR, BGM1812 engages a broader range of metabolic pathways, potentially resulting in enhanced weight loss with improved body composition and better long-term weight maintenance. These complementary mechanisms offer a differentiated therapeutic profile compared to GLP-1-based agents.

The figure below illustrates the mechanism of action of BGM1812.



Market Opportunities and Competition

See "Industry Overview — Overview of the Global and China Metabolic Disease Market — Key Therapeutic Areas within the Metabolic Disease Market — Overview of Amylin Analogs" and "— Overview of Obesity/Overweight Drug Market" for details.

Competitive Advantages

- *Innovative molecular design translating into enhanced therapeutic benefits*. Long-acting amylin analogs represent a promising emerging class in metabolic disease drug development due to their mechanistic advantages. BGM1812 is a novel, long-acting amylin analog optimized through artificial intelligence and machine learning, designed to deliver both potent and long-lasting therapeutic effects. Structurally, BGM1812 utilizes molecular dynamics modeling to guide critical α-methylation modifications at hydrophobic sites. This creates a functional "hydrophobic cage" that locks the molecule into a high-activity conformation. As a result, BGM1812 demonstrates significantly improved binding affinity and structural stability, optimizing agonist activity while maintaining high solubility.

  BGM1812's innovative molecular design is instrumental to its superior receptor binding efficiency and metabolic properties demonstrated in preclinical studies. *In vitro* studies demonstrate that BGM1812 is approximately 1.8-fold and 2.2-fold more potent than petrelintide analog at AMY3R and CTR receptors, respectively, with correspondingly lower EC_{50} values (AMY3R: 0.627 nM vs. 1.126 nM; CTR: 2.270 nM vs. 4.995 nM), which can potentially translate into superior clinical weight-loss outcomes at lower doses. In diet-induced obese (DIO) rat models, BGM1812 showed dose-dependent weight loss (0.012–0.12 mg/kg), substantially outperforming petrelintide analog in the 0.04 mg/kg group in both absolute weight reduction and fat-to-lean mass ratio improvement. PK data confirms BGM1812's prolonged blood concentration maintenance, highlighting durable therapeutic effects. These preclinical data collectively support BGM1812's potential to deliver enhanced weight loss sustainability and therapeutic benefits.

- *Synergistic combination potential with favorable early-market positioning*. As of the Latest Practicable Date, no long-acting amylin analogs had been approved globally. The long-acting amylin analog drug market is projected to reach US$30 billion by 2035. Notably, major global pharmaceutical companies are actively investigating amylin analogs' combination potential with GLP-1-based treatments or the development of multi-target agents to address the immense diabetes and obesity/overweight markets. We believe our BGM2102, a fixed-dose combination of BGM1812 and BGM0504, could potentially establish one of the world's first amylin/GLP-1/GIP combination therapies with blockbuster potential in metabolic diseases. See also "— Our Product Portfolio — Our Product Candidates — Metabolic Diseases — BGM0504, GLP-1/GIP Dual Agonist for T2DM and Obesity/Overweight with Global Best-in-Class Potential — Competitive Advantages — Multi-pathway Combination Programs Addressing Different Patient Populations."

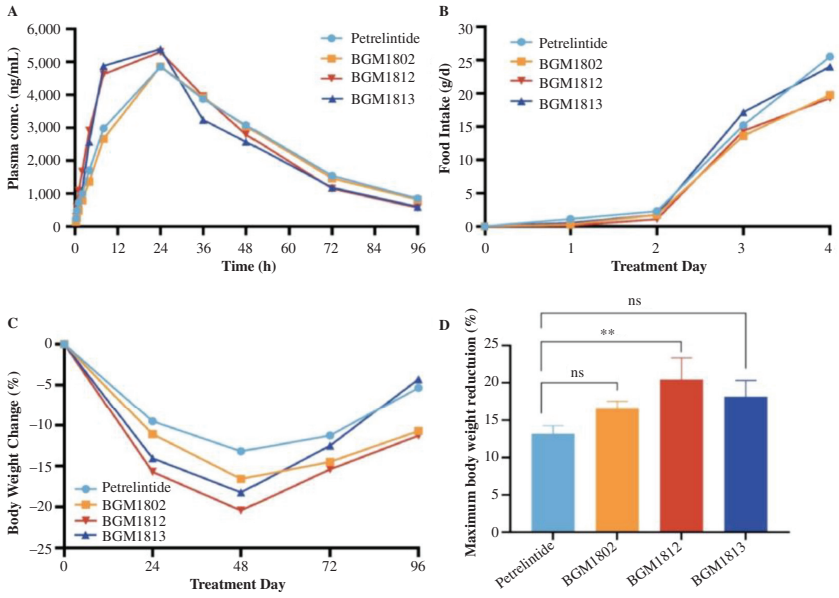
- *Next-generation oral therapy for weight management*. The development of amylin-based therapies has created new expectations among patients and health-aware individuals seeking improved weight management solutions that balance safety, efficacy, and convenience. As a novel therapeutic candidate addressing both metabolic regulation and weight control, BGM1812 tablets are designed to meet these evolving needs by offering clinically meaningful weight loss and a favorable safety profile, with the potential to achieve weekly administration. These characteristics, enabled by pharmaceutical innovation and responsive to healthcare trends, allow BGM1812 to serve both medical treatment paradigms and preventive health approaches.

- *High-quality weight management with favorable body composition*. BGM1812 is designed to preserve lean mass while effectively reducing fat mass, potentially distinguishing it from existing obesity/overweight therapies that often compromise muscle during weight loss. This unique profile supports healthier, more sustainable weight management, as lean mass preservation directly impacts basal metabolic rate and long-term metabolic health.

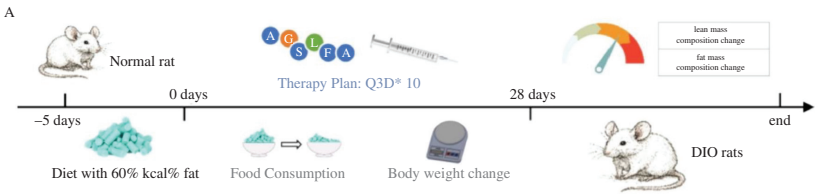
BGM1812 could therefore benefit both patients requiring comprehensive metabolic improvement and health-conscious individuals seeking weight management while reducing muscle loss.

Summary of Preclinical Data

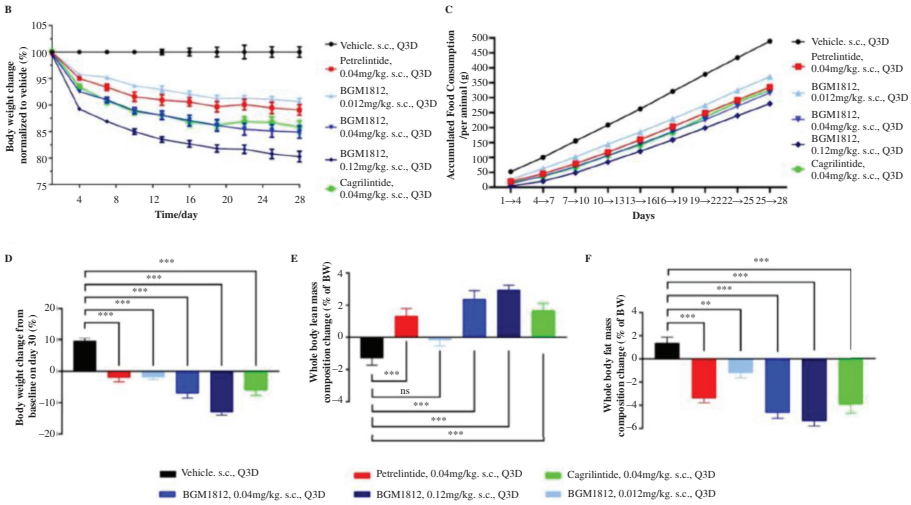
In our single-dose studies in Sprague-Dawley rats, BGM1812 maintained higher plasma concentrations over 36 hours, indicating improved systemic exposure and prolonged therapeutic activity. BGM1812 exhibited faster initial response during the first three days. Functionally, while all compounds showed transient satiety effects in the first one to two days, BGM1812 demonstrated superior sustained food intake inhibition through day 3 to day 4 compared to the petrelintide analog group. BGM1812 achieved the most pronounced body weight reduction when evaluated across the entire five-day observation period.



In our 30-day study in diet-induced obese (DIO) rats, 50 male DIO rats were randomized into six groups at 1:1:1:1:1:1 ratio: three groups receiving BGM1812 (0.012 mg/kg, 0.04 mg/kg, and 0.12 mg/kg); two groups each receiving petrelintide and cagrilintide analogs (0.04 mg/kg), respectively; and a control group. All treatments were administered subcutaneously every third day (Q3D) for 10 total doses, mimicking anticipated clinical dosing regimens.



All treatment groups demonstrated significant reductions in body weight and food intake compared to control group, with no abnormalities observed throughout the treatment period. BGM1812 showed superior body weight reduction compared to petrelintide analog and marginal advantages over cagrilintide analog, while exhibiting clear dose-dependent effects across all tested concentrations. Notably, at the equivalent therapeutic dose of 0.04 mg/kg, BGM1812 achieved total weight loss comparable to cagrilintide analog but demonstrated superior body composition improvements. BGM1812 significantly increased lean mass proportion while reducing fat mass, whereas cagrilintide analog showed similar directional trends but with significantly lower magnitude of effect.



Source: Zong, L., Zhang, Z., Li, X., et al. Discovery of BGM1812, a Novel Dual Amylin and Calcitonin Receptor Agonist for Obesity Treatment. Journal of Medical Chemistry.

Clinical Development Plan

We obtained the IND approvals from the FDA in the U.S. and the NMPA in China in September 2025 and November 2025, respectively, to allow us initiate the clinical development of BGM1812 injection for the treatment of obesity/overweight. We commenced the phase 1 trials in healthy subjects and non-diabetic subjects with obesity/overweight in the U.S. in October 2025 and in China in December 2025. We expect to complete theses trials in the third quarter of 2026.

We plan to submit IND applications both in China and the U.S. in the second quarter of 2027 to initiate phase 1 clinical trials for BGM1812 tablets for the treatment of obesity/overweight. In addition, we are exploring BGM1812's combination potential and plan to initiate a phase 1 clinical trial in combination with BGM0504 to treat obesity/overweight as early as the fourth quarter of 2026.

Respiratory Diseases

Our respiratory disease pipeline exemplifies our strategic generic drug development strategy: targeting early-entry opportunities and complex formulations where technical barriers create competitive advantages. The respiratory therapeutics sector presents a distinctive market opportunity characterized by sophisticated formulation technologies and specialized delivery mechanisms that create substantial barriers to entry. Notably, in the field of SMI drug products, where no generic products achieve approval globally to date due to complex aerosolization mechanisms and precision manufacturing requirements, we have developed deep expertise in formulation-device compatibility and established proprietary technological approaches. Similarly, in DPI drug products, where approved generics remain scarce due to challenges in particle engineering,

powder blending, and airflow optimization, our breakthroughs in micronization and homogeneous mixing technologies have solved these fundamental technical hurdles — demonstrating our ability to overcome industry-wide barriers in respiratory drug delivery.

Leveraging our proprietary drug-device combination platform, we are developing a diversified product matrix encompassing multiple mechanisms of action — including inhaled corticosteroid (ICS), long-acting β 2-agonist (LABA), and long-acting muscarinic antagonist (LAMA) — across various delivery modalities. This approach enables us to capture market opportunities in established therapeutic categories while building foundational capabilities for next-generation innovative therapeutics, including our innovative TSLP nanobody inhalation candidate.

Salmeterol/Fluticasone Dry Powder for Inhalation

We are developing a fixed-dose combination product candidate for asthma and COPD comprising two active ingredients: salmeterol, a long-acting β 2-agonist (LABA), and fluticasone propionate, an inhaled corticosteroid. Salmeterol provides sustained bronchodilation by relaxing airway smooth muscles while fluticasone reduces inflammation and swelling in the airways, together delivering both immediate symptom relief and long-term disease control. This dual-mechanism approach offers an effective and simplified treatment option for patients with asthma and chronic obstructive pulmonary disease (COPD).

This product candidate incorporates our proprietary DPI device technology and advanced particle engineering capabilities, which deliver superior drug particle uniformity compared to industry standards, according to CIC. This enhanced particle uniformity enables more consistent and precise drug delivery to target lung regions, resulting in improved bioavailability and potentially superior therapeutic outcomes compared to existing products in the market.

The originator drug, Seretide®, was developed by GSK and approved in 1999 by the FDA for the treatment of asthma and COPD. Although the compound patents expired in 2013 in China, the first generic version of this drug was not approved in China until 2024, primarily due to the technical complexity of dry powder for inhalation which has created significant entry barriers. Today, dry powder for inhalation remain one of the most technically complex inhaled drug categories, requiring advanced expertise in particle engineering, formulation development, manufacturing scale-up and device design. As of the Latest Practicable Date, there were six marketed salmeterol/fluticasone DPI drug products in China, including GSK's Seretide®, and seven salmeterol/fluticasone DPI drug candidates under development. According to CIC, the market size for salmeterol/fluticasone dry powder for inhalation in China was RMB1.5 billion in 2025 and is expected to reach RMB2.0 billion by 2035.

We are developing salmeterol/fluticasone dry powder for inhalation in 50μg/250μg and 50μg/500μg strengths. We filed ANDAs for the two strengths in December 2025, which were accepted by the CDE in January 2026. We expect to receive marketing approval for the two dosage strengths in the third quarter of 2027.

Budesonide Suspension for Inhalation

We have developed a nebulizer-compatible inhaled corticosteroid designed for targeted anti-inflammatory treatment of respiratory conditions. Its suspension formulation provides enhanced drug stability and uniform particle distribution for consistent therapeutic delivery. Nebulized administration offers superior lung penetration while reducing the need for patient coordination, making it particularly suitable for pediatric patients and those unable to effectively use MDI or DPI devices. This optimized formulation offers both reliable dosing accuracy and improved treatment compliance, addressing key challenges in respiratory care for vulnerable patient groups.

Given that budesonide is heat-sensitive and conventional moist heat sterilization may cause drug degradation and formation of related substances, our manufacturing process utilizes sterile active pharmaceutical ingredients combined with sterile filtration techniques. This approach effectively avoids thermal degradation while preserving drug stability and bioactivity. Our proprietary particle size control technology enables optimal drug delivery to target pulmonary regions, thereby enhancing therapeutic efficacy. Additionally, our in-line high-voltage discharge leak detection system provides comprehensive 100% container closure integrity testing, ensuring product sterility assurance and long-term quality stability throughout the product shelf life.

The originator drug, Pulmicort Respules®, was developed by AstraZeneca and approved by the FDA in 2000. Since its approval, budesonide suspension for inhalation has been recognized as the front-line treatment for the maintenance treatment of asthma and as prophylactic therapy in children aged between 12 months to eight years. Budesonide suspension is the only inhaled corticosteroid included in the WHO Model List of Essential Medicines for Children and has been recognized as a Category B drug under the FDA Pregnancy Category, confirming its well-established safety for routine use during pregnancy. These combined attributes — proven efficacy across pediatric populations, outstanding safety profile, and global accessibility — have solidified budesonide suspension's position as a cornerstone of pediatric respiratory care.

The budesonide suspension market in China has experienced rapid growth following patent expiry in 2020 and the product's subsequent inclusion in the VBP schemes in China. As of the Latest Practicable Date, there were over 10 budesonide suspension products marketed in China, including AstraZeneca's Pulmicort Respules®, and over 20 product candidates under development, six of which had already submitted ANDAs. According to CIC, the market size for budesonide suspension for inhalation in China was RMB4.4 billion in 2025 and is expected to reach RMB6.2 billion by 2035.

We received marketing approval from the NMPA for budesonide suspension for inhalation in October 2025 and launched this product in December 2025.

Tiotropium Bromide-based Products

Tiotropium bromide is a long-acting anticholinergic bronchodilator (LAMA) that selectively blocks M3 receptors on airway smooth muscle, effectively inhibiting bronchoconstriction and providing 24-hour bronchodilation for COPD maintenance therapy. As a cornerstone medication in COPD management, tiotropium bromide represents a critical therapeutic intervention with well-established clinical efficacy and safety profile.

Building upon this proven molecule, we are building a differentiated product matrix comprising three complementary formulations that address distinct patient populations and clinical needs:

- Tiotropium bromide dry powder for inhalation optimized for patients with adequate inspiratory flow rates, offering portability and cost-effectiveness particularly suitable for mild-to-moderate COPD patients.
- Tiotropium bromide soft mist for inhalation delivering enhanced lung deposition with low inspiratory resistance, ideal for elderly patients, severe COPD cases, or individuals with compromised coordination abilities.
- Tiotropium bromide/olodaterol soft mist for inhalation, a fixed-dose LAMA/long-acting β 2-agonist (LABA) combination that synergistically targets both anticholinergic and β 2-adrenergic pathways to provide enhanced therapeutic efficacy for moderate-to-severe COPD patients.

This diversified product portfolio enables precision therapy in COPD care, allowing physicians to select optimal delivery mechanisms based on patient lung function, determine monotherapy versus combination treatment according to symptom severity, and develop personalized regimens according to lifestyle needs and adherence patterns. In particular, our proprietary propellant-free mechanical

atomization technology leverages precision engineering design to achieve sustained-release soft mist drug delivery, effectively addressing the technical challenges of high oropharyngeal deposition rates and low pulmonary delivery efficiency associated with conventional inhalation products, representing advanced technology capabilities in the respiratory drug delivery field.

The originator drugs for these products were developed by Boehringer Ingelheim: Spiriva HandiHaler® (tiotropium bromide dry powder for inhalation) received its initial approval in 2002 from the EMA. Spiriva Respimat® (tiotropium bromide soft mist for inhalation) utilizing soft mist technology was subsequently approved in the EU in 2007. The fixed-dose combination product Stiolto Respimat® (tiotropium/olodaterol soft mist for inhalation) received EMA approval in 2015. All these three products were approved for COPD maintenance treatment. As of the Latest Practicable Date, there were five tiotropium bromide DPI drug products approved in China, including Spiriva HandiHaler®, and there were no generic tiotropium bromide SMI drug products or tiotropium bromide/olodaterol SMI drug products approved in China. As of the same date, there were eight tiotropium bromide DPI drug candidates, six tiotropium bromide SMI drug candidates, and four tiotropium bromide/olodaterol SMI drug candidates undergoing clinical development in China, including three, four and three with ANDAs already submitted, respectively. According to CIC, the China tiotropium bromide drug market size reached approximately RMB0.8 billion in 2025 and is projected to grow to RMB1.1 billion by 2035.

We are conducting the PD-bioequivalence studies for our tiotropium bromide dry powder for inhalation and plan to submit an ANDA in the third quarter of 2026. For tiotropium bromide soft mist for inhalation, we submitted an ANDA to the NMPA in January 2025, and expect to receive the marketing approval in the third quarter of 2026. For tiotropium bromide/olodaterol soft mist for inhalation, we submitted an ANDA to the NMPA in December 2024, and expect to receive the marketing approval in the third quarter of 2026.

Selected Preclinical Assets for Respiratory Diseases

Building on our deep understanding of respiratory disease mechanisms, extensive product development experience, and advanced formulation technologies, we are developing a series of novel therapies to expand our respiratory pipeline, including a potential first-in-class TSLP nanobody inhalation (Category 1 innovative drug), and Category 2 modified new drugs such as ensifentrine inhalation. These candidates are expected to enter clinical development between 2026 and 2027, further strengthening our comprehensive respiratory product portfolio.

Other Therapeutic Areas

Beyond our deep focus on metabolic and respiratory diseases, we are also developing product candidates in other major therapeutic areas including infectious diseases, immunology and oncology.

TECHNOLOGY PLATFORMS

Through years of dedicated research, we have built a suite of proprietary drug R&D platforms encompassing peptide technology, drug-device combinations, and synthetic biology, further enhanced by the Macoral® oral formulation platform developed by Oralead Pharma, an associate of our Company. We follow two strategic R&D pathways built upon these technology platforms: (i) in the generic drug sector, we have accumulated extensive experience from the successful development of over 40 pharmaceutical products, including obtaining multiple manufacturing and marketing approvals to commercialize our own finished drug products; and (ii) for innovative drug development, we focus on differentiated novel therapies with high clinical value and substantial technical barriers to competition, offering substantial clinical and commercial value.

Peptide Technology Platform

Peptide drugs, typically composed of 10–100 amino acids, bridge the gap between traditional small-molecule chemicals and large biologics (e.g., proteins), exhibiting unique structural and functional properties. They demonstrate high target affinity with low off-target risks, and their

hydrolyzed byproducts are amino acids, reducing concerns about toxic metabolites. Notably, GLP-1-based therapies have been clinically validated for diabetes and obesity/overweight treatment, with further potential in various chronic conditions — such as MASH, cardiovascular diseases, and obstructive sleep apnea — highlighting their broad therapeutic applicability.

Leveraging this platform, we are actively advancing the development of differentiated GLP-1-based therapeutics, with a focus on novel delivery methods (e.g., oral formulation), multi-target combination therapies, and indication expansion. Our flagship metabolic disease candidate, BGM0504, exemplifies this approach: with an optimized peptide structure, BGM0504 enhances target binding and pharmacological activity, creating a competitive edge in metabolic diseases. As a promising contender in weight management and T2DM, BGM0504 further improves patient compliance through oral dosage form, offering broader treatment options.

Drug-device Combination Platform

Drug-device combination products are single medical entities that integrate drugs with medical devices, available in forms such as inhalers, intranasal formulations, ophthalmic sprays, and injection pens. They have broad applications in respiratory, metabolic and central nervous system (CNS) diseases, among other therapeutic areas. The development of drug-device combination products is highly complex, requiring expertise across pharmaceutics, medicine, surface science, materials engineering, and mechanical design.

Inhalation products are especially challenging: particle size strongly influences pulmonary deposition with effective delivery typically achieved when drug particles are maintained between 1–5 μm. In addition, properties such as charge and bulk density affect dispersion, absorption, and therapeutic effect. Device design is equally important for consistent dosing and particle distribution, while clinical design and administration methods further shape the treatment outcomes. Through years of innovation, we have overcome key R&D hurdles to optimize routes of administration, device design, and clinical practice. This has enabled us to build a differentiated drug-device combination platform and a high value inhalation pipeline focused on respiratory diseases.

Synthetic Biology Platform

Synthetic biology is an interdisciplinary field that applies engineering principles to redesign natural biological systems or to build de novo microbial cell factories for the more efficient production of natural products.

Building on our expertise in fermentation and semi-synthesis, we have extended upstream to establish a synthetic biology platform that powers more efficient and versatile production systems. We optimize existing microbial strains to enhance efficiency and reduce costs — exemplified by caspofungin and sordarin — while designing new strains to broaden our product portfolio while providing innovative solutions for customers.

Oral Formulation Platform

The Macoral® oral formulation platform represents a breakthrough in oral administration of peptide drugs and nanobodies, combining innovative mechanisms with lyophilized flash-release formulation technology to significantly enhance the bioavailability of these difficult-to-deliver macromolecules by several-fold.

This platform features three key technological advantages: (i) intestinal targeting protection coupled with permeation enhancement, (ii) reversible tight-junction modulation enabling macromolecule absorption via specialized permeation enhancers, and (iii) enzyme-resistant protection that prolongs drug action duration and improve plasma concentration persistence. We are committed to leveraging this platform to develop innovative and complex oral peptide drugs that address the patient adherence limitations of traditional injectable therapies.

We have established a strategic partnership with Oralead Pharma to leverage its Macoral® oral formulation platform for the development of multiple oral peptide products, including BGM0504 tablets. Under this partnership, we enter into separate, product-specific collaboration agreements for each drug candidate. For more information on our investment in Oralead Pharma, an associate of our Company, see "Relationship with Our Controlling Shareholders."

Collaboration with Oralead Pharma for BGM0504 Tablets

We entered into a R&D collaboration agreement with Oralead Pharma in July 2023, pursuant to which Oralead Pharma granted us an exclusive, sublicensable, and worldwide license to utilize its current and future patents related to the polypeptide oral delivery technology (including the Macoral® platform) for BGM0504. Oralead Pharma is primarily responsible for conducting early-stage formulation research and providing technical support leveraging its Macoral® platform. We are responsible for supplying the APIs, advancing subsequent preclinical and clinical development, managing regulatory submissions, and undertaking manufacturing and global commercialization of the resulting BGM0504 tablets. Oralead Pharma retains ownership of its underlying Macoral® platform technology, and all new patents and intellectual property rights related to BGM0504 tablets generated from the performance of this collaboration agreement shall be solely applied for, held, and owned by us.

In partial consideration of the license granted by Oralead Pharma, we agree to pay a one-time license fee of RMB3.0 million. Furthermore, we agree to pay milestone payments totaling up to RMB49.0 million upon the achievement of specified clinical and regulatory milestones, from IND approval through NDA approval. Additionally, we are required to pay an additional milestone payment of RMB10.0 million for each new country in which marketing approval is obtained. Upon commercialization, we are also required pay Oralead Pharma royalties of a low-single-digit percentage of BGM0504 tablets' global annual net sales for a prescribed period.

This agreement has an initial term of five years until July 2028. The agreement will automatically extend beyond the initial term if we continue the R&D, manufacturing, and/or sales of BGM0504 tablets after the initial expiration date, and will terminate upon our permanent cessation of such activities.

RESEARCH AND DEVELOPMENT

We are advancing our R&D strategy with innovative drugs at the forefront, while sustaining our edge in generics and APIs/intermediates. For innovative drugs, we are building core technologies to create differentiated, hard-to-replicate products with promising clinical and commercial value. Our metabolic portfolio centers on multi-target GLP-1 drugs, novel delivery methods beyond injections, and expanded applications in chronic metabolic diseases. For generic drugs, we target technically complex, high-barrier products and track newly launched originators with strong market potential. Our integrated R&D approach for generic drugs combines early-filing strategy, complex technology, specialty APIs/intermediates and formulations.

Our R&D team is led by Dr. Yuan Jiandong, our founder and chairman of the Board, and other distinguished scientists with extensive drug development experience and expertise. We conduct research and development activities primarily through our in-house R&D team and engage CROs from time to time to support our preclinical research and clinical trials. For the years ended December 31, 2023, 2024 and 2025, our research and development expenses amounted to RMB248.6 million, RMB297.5 million and RMB304.9 million, respectively, of which 20.3%, 38.9% and 62.4% were invested in the development of our innovative drug candidates.

In-house R&D Team

Our in-house R&D capabilities, built on four clinically validated technology platforms, give us control and visibility over our R&D process, and enable us to ensure the quality and efficiency of our drug development programs. For details regarding these technology platforms, see "— Technology Platforms." As of December 31, 2025, our in-house R&D team consisted of over 270 members, around 37.0% of whom held master or doctoral degrees, mainly in biology, pharmacology, chemistry, and medical science. Our R&D team comprises talents with extensive experience in drug discovery, preclinical development, CMC, clinical development and regulatory affairs, spanning the entire drug development cycle. Many of them have years of experience in driving drug discovery and development programs at well-known pharmaceutical companies.

R&D Process

Before initiating an R&D project, we conduct comprehensive market assessments to evaluate if the potential product candidate addresses underserved medical needs and offers commercial feasibility, and in the case of a generic drug, if it would be the pioneering generic version in a high-entry-barrier market. We select our R&D priorities by weighing the medical needs against the drug's commercial prospects, factoring in potential market size, competition and the probability of successful development. The initiation of each R&D project requires the green light from our project management team. Once a project is approved, it is assigned a project leader. The project leader is responsible for team formation, project management, intellectual property and inter-department coordination. We also conduct periodic evaluations of ongoing R&D projects to monitor their progress.

The following summary highlights the key steps of our in-house R&D process for innovative drug development:

- ***Target identification and drug discovery***. Before initiating a project, we leverage our scientific expertise and market insights to identify targets with high therapeutic potential. For each identified target, we conduct a comprehensive feasibility analysis, taking into account factors including market size, patentability, competitive landscape, regulatory strategy, and potential risks, while enhancing strategic synergies with our marketed products and our pipeline's differentiated advantages. We then design and screen chemical compounds to select lead compounds that have demonstrated pharmacological and biological activity on a specific therapeutic target.

- ***Preclinical studies.*** Our preclinical development consists of two phases: (i) prior to the selection of preclinical candidate compound ("**PCC**"), we evaluate lead compounds through comprehensive *in vitro* and *in vivo* studies, assessing pharmacological selectivity, duration of action, pharmacokinetic properties, and preliminary safety profiles. Candidate compounds must demonstrate the desired properties and meet our stringent PCC selection criteria; and (ii) following PCC determination, we conduct IND-enabling studies including pharmacodynamics (PD), drug metabolism and pharmacokinetics (DMPK), integrated PK/PD studies, and comprehensive safety evaluation. All toxicological studies are conducted under Good Laboratory Practice (GLP) standards in compliance with applicable regulations of competent authorities.

  Concurrently, our CMC team develops stringent standards and procedures designed to ensure the consistent manufacturing of high-quality drug substances and drug products. These integrated workstreams encompass critical stages from preclinical research through clinical development, supporting IND filing for first-in-human clinical trials.

- ***Clinical development.*** During clinical trials, we maintain close communication with trial sites and principal investigators to ensure studies are conducted in a timely manner and in accordance with study protocols and GCP guidelines. We select reputable clinical trial institutions and hospitals based on their quality, resources, experience, reputation, and

availability of qualified investigators and appropriate patient populations. We employ a risk-based monitoring approach and maintain robust data integrity standards throughout the clinical development process. Furthermore, our regulatory affairs team oversees the registration strategy and submission of documents required by relevant regulatory authorities.

- ***NDA/BLA submission and approval.*** Upon successful completion of the clinical trials and the collection of sufficient data to demonstrate a product candidate's safety and efficacy, we submit an NDA or BLA to the applicable regulatory authorities. This submission includes comprehensive data packages from preclinical studies, clinical trials, and CMC. The regulatory authority then conducts a thorough review of the application materials, which may include onsite inspections of clinical trial sites and manufacturing facilities to verify the data integrity and compliance with applicable cGMP requirements, before granting us the marketing approval.

For generic drug and API development, our R&D process typically involves process development and optimization, scale-up, validation batch production, clinical studies (where required), regulatory inspections, and marketing authorization.

Collaboration with CROs

In addition to our in-house R&D activities, we also collaborate with reputable CROs to manage, conduct, and support our preclinical research and clinical trials. The services they provide under our supervision include site management, patient recruitment and data management for our clinical trials, as well as preclinical and clinical laboratory testing and other specialized tasks aligned with our needs.

We select CROs based on various factors, such as professional qualifications, research experience in the related fields, service quality and efficiency, industry reputation, and pricing competitiveness. Depending on the specific services required, we enter into project-based service agreements with our CROs that outline the detailed scope of work, procedures, deliverables, timelines, and payment terms. We closely supervise our CROs with an aim to ensure their performance in a manner that complies with our protocols, regulatory requirements, and applicable laws, which in turn protects the integrity and authenticity of the data from our trials and studies.

Key terms of our agreements that we typically enter into with our CROs are set forth below.

- ***Services.*** The CROs provide us with ancillary services in the course of our preclinical studies and clinical trials, such as implementing animal studies, providing clinical support, record keeping and report preparation.

- ***Term.*** The CROs are required to perform their services within the prescribed time limit set out in each work order, usually on a project basis.

- ***Payments.*** We are required to make payments to the CROs in accordance with a payment schedule agreed by the parties.

- ***Intellectual property rights.*** We generally own all intellectual property rights arising from the projects conducted by the CROs within the stipulated work scope.

We engaged 71, 91 and 108 CROs for the years ended December 31, 2023, 2024 and 2025, respectively, with associated service fees of approximately RMB53.9 million, RMB87.7 million and RMB351.8 million for the same periods. Our key CROs primarily include established clinical research service providers with extensive experience in managing multi-center clinical trials in China and globally. Save for Oralead Pharma, where two of our executive Directors serve as directors, all CROs engaged by us during the Track Record Period were Independent Third Parties. In addition to the contractual measures described above, we conduct periodic on-site quality audits on our key CROs and, where appropriate, engage independent third-party institutions for quality oversight. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with any of our CROs.

COLLABORATIONS AND PARTNERSHIPS

Strategic Collaboration with China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. to Accelerate Development and Commercialization of BGM0504 Injection

In August 2025, we and our affiliates entered into a collaboration agreement with China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. ("**CR Sanjiu**"), a leading pharmaceutical company listed on the Shenzhen Stock Exchange to accelerate the development and commercialization of BGM0504 injection, combining CR Sanjiu's industry resources and commercial capabilities with our R&D expertise. For further details on BGM0504's latest clinical development status, see "— Our Product Portfolio — BGM0504, GLP-1/GIP Dual Agonist for T2DM and Obesity/Overweight with Global Best-in-Class Potential — Summary of Clinical Trial Data."

Pursuant to the agreement, we have granted CR Sanjiu (i) an exclusive, sublicensable license to collaborate with us on the clinical development of BGM0504 injection in Chinese Mainland, and (ii) an exclusive, sublicensable right to commercialize BGM0504 injection in the same territory. This arrangement allows us to leverage CR Sanjiu's well-established sales channels and extensive marketing experience, which is expected to facilitate broader patient access to BGM0504 injection. Furthermore, CR Sanjiu's involvement in the clinical stage enables BGM0504 to build KOL advocacy during trial execution and provides valuable commercially-driven insights into BGM0504 injection's Phase 3 trial designs. For clarity, the collaboration is limited to single-agent injectable formulations containing BGM0504 as the active ingredient and excludes other dosage forms of BGM0504 (such as tablets), multi-target agents directed at but not exclusive to GIP/GLP-1 receptors, as well as any combination products containing BGM0504 and one or more other active ingredients. Notwithstanding the foregoing exclusions, if we propose to enter into any transfer, licensing or other collaboration arrangement with a third party with respect to such excluded product categories in Chinese Mainland, CR Sanjiu has a right of first negotiation with us in respect of such arrangement.

We and CR Sanjiu are jointly advancing the research and development of BGM0504 injection in Chinese Mainland, where we take the lead in clinical trial execution and continue to serve as the sponsor of all existing trials. We will remain the sole marketing authorization holder ("**MAH**") of BGM0504 injection in Chinese Mainland and assume all obligations and responsibilities required of the MAH under applicable laws and regulations. The collaboration has not resulted in any change in the ownership of the relevant patents, and we continue to be the holder of all existing patents relating to the product. We retain the exclusive right and responsibility to manufacture and supply BGM0504 injection. Subject to our retained rights, CR Sanjiu is responsible for conducting the commercialization activities in Chinese Mainland, including marketing, sales, distribution, pricing strategies, and leading NRDL negotiations for BGM0504 injection.

We are eligible to receive milestone payments potentially up to an aggregate of RMB282.0 million upon the achievement of certain development and regulatory milestones. Following BGM0504 injection's first commercial sale in Chinese Mainland, we agree to pay CR Sanjiu service fees based on a predetermined percentage of BGM0504 injection's net sales in Chinese Mainland.

We and CR Sanjiu may each appoint three representatives to form a joint development committee to oversee BGM0504 injection's development matters. Following the submission of a marketing authorization application, a similarly structured joint commercialization committee will be formed to oversee BGM0504 injection's commercialization matters. We agree to provide prior written notice to CR Sanjiu of any proposed development of additional indications, dosages, or clinical trials for BGM0504 injection. If CR Sanjiu elects to participate in co-development, the parties will execute a separate agreement specifying cost allocation and other terms. In particular, with respect to certain specified new clinical trials contemplated under the agreement, if the existing product label for BGM0504 injection is successfully amended based on data from such new trials, CR Sanjiu agrees to pay us sales milestone payments over a five-year period following the commercial launch of BGM0504 injection under each updated label, up to an agreed aggregate amount for each trial set at the lower of (a) 50% of the actual clinical trial costs incurred for the relevant trial and (b) RMB28.5 million.

This agreement shall remain in full force and effect until terminated pursuant to its terms or by mutual written consent of the parties.

According to CIC, this collaboration arrangement — where we remain the MAH, continue to lead clinical development, and retain manufacturing rights, while granting commercialization rights to a partner — along with the associated consideration terms, aligns with prevailing market practice in the PRC pharmaceutical industry, particularly for metabolic therapies that require intensive commercial investment and broad distribution infrastructure.

MANUFACTURING

We currently manufacture our finished drug products and APIs/intermediates primarily in-house, in compliance with international cGMP standards. We have historically engaged, and will continue to engage, industry-recognized CDMOs to supplement our in-house manufacturing capacity, enabling us to optimize resource allocation and maintain cost efficiency.

Manufacturing Facilities

We currently operate two manufacturing sites, both located in Jiangsu province, China. During the Track Record Period and up to the Latest Practicable Date, we obtained the requisite licenses for our existing manufacturing facilities. For details, see "— Licenses, Permits and Approvals." Our manufacturing systems and facilities are instrumental to the smooth execution of our clinical trials and reliable delivery of our marketed products.

Our manufacturing facilities in Taixing, Jiangsu specialize in the production of APIs and intermediates (including synthetic, fermentation-based semi-synthetic, and peptide products), with an annual API production capacity exceeding 50 tons. Our manufacturing facilities in Suzhou are primarily responsible for the production of finished drug products, including small molecule drugs, peptides, and biologics, with an annual production capacity of approximately 600 million units. The following table sets forth a summary of our existing manufacturing facilities as of the Latest Practicable Date.

Facility Location	Site area *(sq.m.)*	GFA *(sq.m.)*	Major products produced
Taixing, Jiangsu	99,195	80,698	APIs and intermediates
Suzhou, Jiangsu	31,561	91,459	Finished drug products

The following table sets forth the designed production capacity, actual production volume and utilization rates of the production lines and workshops which are used in our manufacturing facilities as of the dates and for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
APIs/Intermediates			
Taixing Facilities			
Designed production capacity (liters)[(1)]	3,532,260	3,532,260	3,532,260
Production volume (liters)[(2)]	1,542,094	2,042,539	2,078,314
Utilization rate (%)[(3)]	43.7%	57.8%	58.8%
Suzhou Facilities			
Designed production capacity (liters)[(1)(4)]	11,673	10,963	9,073
Production volume (liters)[(2)]	4,732	4,945	4,747
Utilization rate (%)[(3)]	40.5%	45.1%	52.3%
Finished Drug Products			
Suzhou Facilities			
Designed production capacity ('000 units)[(5)]	102,850	102,850	102,850
Production volume ('000 units)[(6)]	28,529	72,786	95,830
Utilization rate (%)[(3)]	27.7%	70.8%	93.2%

Notes:

(1) Designed production capacity represents the total reactor volume associated with each production line and workshop. It is calculated as the total reactor volume multiplied by the standard number of working days, which are set at 250 days for a full year.

(2) Production volume represents the total reactor volume involved in the actual production of all products during the reporting or measurement period. For each product, the volume is calculated as the total reactor volume used in production multiplied by the actual production days, and then summed across all products within the workshop.

(3) Utilization rate is calculated by dividing the production volume by the designed production capacity.

(4) The decrease in the designed production capacity of APIs and intermediates at our Suzhou facilities during the Track Record Period was primarily due to the transfer of certain production to our Taixing facilities, as part of our strategic optimization and reallocation of manufacturing resources, taking into consideration the overall capacity utilization of each site.

(5) Designed production capacity represents the total annual production volume of all finished drug products, expressed in units such as tablets, capsules, vials, bottles, or sachets. It is determined by adjusting the approved annual production capacity by the proportion of the reporting period to twelve months.

(6) Production volume represents the aggregate quantity of finished drug products produced and transferred into inventory.

The utilization rates across our existing manufacturing facilities grew steadily during the Track Record Period. The below-capacity rates earlier in the Track Record Period were largely attributable to the ramp-up of new production lines, increase in production volume to meet customer demand and R&D needs, and the inherent characteristics of pharmaceutical manufacturing, where production schedules are affected by regulatory batch requirements, quality assurance protocols, demand cycles, and numerous other factors, rather than continuous output.

For our API and intermediate facilities at Taixing and Suzhou, the increase in utilization rates during the Track Record Period was primarily driven by growth in order volumes and the commencement of commercial production of additional API products. Utilization rates also reflect structural constraints inherent to multi-product API manufacturing. For example, each workshop contains reactors of varying sizes; when a product requires only smaller reactors, the larger reactors in the same workshop remain idle yet are still counted toward design capacity. Products within a workshop also share downstream equipment such as filtration, crystallization and drying systems, and achieving full utilization would require complete synchronization across the entire production line, which is not practically feasible.

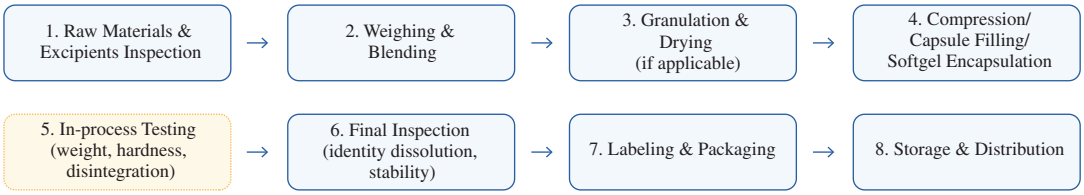
For our finished drug product facilities at Suzhou, the relatively low utilization rate at the beginning of the Track Record Period was primarily because total design capacity was calculated on the basis of all installed production lines, including those that had been fully constructed and equipped but had not yet commenced production as they were still undergoing process validation and regulatory registration. The increase in utilization rates during the Track Record Period was driven by additional production lines commencing operation and the continued growth in production volume in response to growing demand for our marketed finished drug products.

As of the Latest Practicable Date, we also had several new manufacturing facilities under construction (including expansion of our existing manufacturing facilities), including: (i) our Suzhou Inhalation and Chemical Drug Formulation Production Base and Biomedical R&D Center (Phases 1 and 2), primarily designed for the manufacturing of high-barrier inhalation products to address the growing respiratory therapeutics market, with operations expected to commence in early 2027, (ii) our Innovative Drug Formulation and API Production Base (Phase 1) built on our Suzhou site, designed to support the phase 3 clinical trials and early commercialization of our BGM0504 injection, scheduled to become operational in early 2027, and (iii) an expansion to our Taixing manufacturing facilities (Phase 2) to support the API development and manufacturing for BGM0504 with anticipated commercial launch as early as 2027. As of the Latest Practicable Date, the above facilities had obtained the principal construction-related permits and approvals, except that the completion acceptance for the Suzhou Inhalation and Chemical Drug Formulation Production Base and Biomedical R&D Center (Phase 1 and Phase 2) and the Innovative Drug Formulation and API Production Base (Phase 1) had not yet been obtained as certain ancillary structures remain under construction and are required to undergo completion acceptance together with the principal structures. We expect to apply for completion acceptance by December 31, 2026. Our Directors are not aware of any material legal impediment to, and do not foresee any material difficulty in, obtaining the remaining permits. Once operational, these facilities are expected to form an integrated API-to-formulation supply chain and strengthen our in-house capacity for the commercialization of BGM0504 injection in China, reducing our reliance on third-party CDMOs.

Furthermore, we are expanding our manufacturing capabilities internationally through joint ventures that combine our technical expertise with local market knowledge, with an aim to develop regionally tailored pharmaceutical products that capture overseas opportunities. As of December 31, 2025, we held a 19.32% equity interest in PT Anvita Pharma Indonesia ("**Anvita**"), an API and oral solid dosage form manufacturer in Indonesia. The remaining equity interest is held by investors with experience in pharmaceutical investment and operations in Southeast Asia. Anvita operates independently and bears its own operating costs and there are no separate profit-sharing or cost-sharing arrangements among the shareholders of Anvita other than through their respective equity interests. Process-related intellectual property for API manufacturing will be owned by Anvita. There are no material IP licensing arrangements between us and Anvita. Based on information provided by Anvita, in 2024, Anvita's annual API production volume was approximately 450 kilograms, with plant utilization of approximately 44%. In 2025, annual production increased to approximately 1,200 kilograms, with utilization improving to approximately 72%, and a planned plant upgrade in 2026 is expected to further increase its production capacity. To our best knowledge, as of the Latest Practicable Date, Anvita had obtained GMP certifications and had a portfolio of 15 locally manufactured APIs. Anvita received market authorization for its first finished drug product in November 2024 and expects to obtain market authorization for several additional products in 2026. We believe our investment in Anvita supports our long-term growth strategy in Southeast Asia, particularly in Indonesia, the largest pharmaceutical market in the region, where government policies actively promote local pharmaceutical production and provide favorable procurement terms in national tenders to products using locally manufactured APIs.

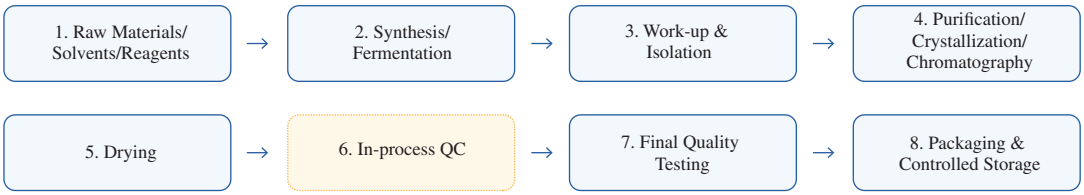
Manufacturing Processes

We operate tailored manufacturing processes for our pharmaceutical and API products. The manufacturing process of our pharmaceutical products is generally elaborated below:



- ***Raw materials and excipients inspection.*** Incoming raw materials and excipients are inspected and tested in compliance with quality standards.
- ***Weighing and blending.*** Materials are precisely weighed and blended to achieve uniformity.
- ***Granulation and drying.*** For certain formulations, blended powders are granulated and dried to improve processability and dosage form stability.
- ***Compression, capsule filling and softgel encapsulation.*** Blends or granules are processed into tablets, filled into capsules, or encapsulated into softgels, depending on dosage form.
- ***In-process testing.*** Products are subject to in-process controls such as tablet weight, hardness and disintegration to ensure consistency.
- ***Final inspection.*** Finished products are tested to confirm identity, dissolution profile, and stability before release.
- ***Labeling and packaging.*** Approved products are labeled and packaged in line with cGMP and regulatory requirements.
- ***Storage and distribution.*** Finished products are stored under specified environmental conditions and distributed to customers or downstream partners.

The manufacturing process of our API products is elaborated below:



- ***Raw materials, solvents and reagents preparation.*** We procure and inspect raw materials, solvents and reagents in accordance with the applicable specifications before production.
- ***Synthesis or fermentation.*** Depending on product characteristics, intermediates are generated either through chemical synthesis under controlled conditions or via microbial fermentation.
- ***Work-up and isolation.*** Post-reaction or post-fermentation mixtures are processed through extraction, filtration and concentration to isolate the target intermediate.
- ***Purification.*** Further purification steps, such as crystallization or chromatography, are applied to remove impurities and obtain APIs of higher purity.
- ***Drying.*** Isolated APIs are dried under controlled temperature and humidity conditions.

- ***In-process and final quality control.*** Products undergo testing at critical stages and comprehensive final QC, covering identity, purity, content, and stability, before release.
- ***Packaging and storage.*** Qualified APIs are packaged in line with cGMP requirements and stored under specified environmental conditions before being delivered for formulation or sales.

Collaboration with CDMOs

During the Track Record Period, we outsourced a small portion of our manufacturing activities, primarily for the production of (i) drug products with relatively simple synthesis processes, lower technical complexity, minimal confidentiality requirements, or less stringent quality specifications, and (ii) drug products with limited market size that do not justify the costs of establishing new in-house production lines. We intend to continue to collaborate with CDMOs in the near term, as we believe outsourcing non-core manufacturing activities provides an optimal balance of cost-effectiveness and operational efficiency.

When selecting CDMOs, we consider a number of factors, including manufacturing capacity, qualifications, geographic, track record, and pricing competitiveness. We conduct quality assurance audit programs to monitor and evaluate the services of our CDMOs.

We generally enter into project-specific technical service agreements, under which each party's rights and obligations are stipulated. Key terms of such agreements are set forth below.

- ***Services.*** The CDMOs are required to deliver products that meet our quality standards within agreed timeframes and quantities. The services generally involve manufacturing activities, and in some cases include API testing, process confirmation, process validation, stability studies, and delivering documentation generated during the course of such studies.
- ***Quality assurance and inspections.*** We are entitled to conduct on-site audits and regular inspections to ensure compliance of our CDMOs with the relevant cGMP and regulatory requirements. The CDMOs are also obligated to retain production, testing and validation records as required under the applicable cGMP requirements, and allow us to review such records.
- ***Payments.*** We are required to make payments to the CDMOs in accordance with the payments schedule set forth in the agreement, which is typically linked to the stages of the manufacturing process and the deliverables we receive.
- ***Intellectual property rights.*** We own all intellectual property rights relating to our products arising from the outsourced manufacturing processes.
- ***Remedies for non-conforming products.*** We are entitled to remedies for products that fail to conform to our specifications. Depending on the contract terms, the CDMOs may rectify the non-conformities, refund or waive the relevant fees, pay liquidated damages, or compensate us for related losses.

We engaged three, two and one CDMO for the years ended December 31, 2023, 2024 and 2025, respectively, with associated service fees of approximately RMB1.9 million, RMB6.8 million and RMB0.5 million for the corresponding years. Our key CDMOs primarily include established pharmaceutical manufacturing service providers with the requisite cGMP certifications. All CDMOs engaged by us during the Track Record Period were Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with any of our CDMOs.

For risks relating to our relationship with CDMOs, see "Risk Factors — Risks Relating to Dependence on Third Parties — We rely on third parties to support and conduct certain aspects of our business, and the inability of any of these parties to reliably carry out their contractual duties or meet expected timelines could adversely affect our business and prospects."

QUALITY MANAGEMENT

We maintain stringent quality controls, adhering to our quality objective of consistently producing pharmaceutical products that meet intended use and registrational requirements. Our approach integrates strict compliance with national regulations, and alignment with international requirements for exported products. Through systematic process controls, stringent monitoring, and comprehensive quality management, we strive to ensure the efficacy and safety of our products. Currently, our API and finished drug production quality systems meet cGMP standards across major global markets (including China, Europe, U.S., Japan, South Korea, Australia and Brazil).

We have a dedicated quality management team that fulfills both quality assurance and quality control roles. The quality assurance team oversees the management and monitoring of our production process, while the quality control team focuses on the inspection and testing of raw materials, APIs/intermediates and finished drug products. As of December 31, 2025, we had 214 members in our quality management team.

Supply Chain Quality Control

We implement a strict procurement and supplier management system with comprehensive controls covering the entire procurement lifecycle, including purchase requests, approval, vendor quotation, contract execution, delivery, and quality inspection. Our business units determine their procurement plans based on operational needs, and submit purchase requisition forms for approval by project managers or department heads before forwarding to the Procurement and Warehouse Department for vendor quotation and selection, followed by procurement contract execution with selected suppliers.

For new supplier selection, we conduct comprehensive on-site inspections and assess track records, business scale, pricing competitiveness, and project execution capabilities. We execute quality agreements with major suppliers that specify quality specifications, delivery requirements and compliance obligations, while our quality management team conducts regular audits to ensure ongoing compliance with established standards.

All materials we procure undergo inspection upon receipt according to standardized procedures. Our quality control personnel conduct batch sampling inspections and issue inspection reports indicating whether materials meet established quality standards. Quality assurance personnel review these inspection reports alongside acceptance and testing records to conduct comprehensive audit assessments. Based on assessment results, our quality management team head determines whether to approve the release of these materials for production use. Through these controlled procedures, we aim to minimize supply chain risks while maintaining precise management of the materials procured throughout our operations.

Production Process Quality Control

All production processes operate according to detailed production instructions, protocols, and cGMP standards to ensure consistent product quality. Our quality assurance personnel conduct rigorous monitoring at each production stage to oversee compliance with operational procedures and prevent deviations from established standards. Upon completion of batch production for APIs and intermediates, manufacturing personnel perform weighing and verification processes before storing them at designated stations. Samples are subsequently submitted to our quality control team for comprehensive testing according to established sampling management procedures. Quality control personnel collect and test samples before issuing API/intermediate product inspection reports for quality assurance review. Our quality assurance team conducts thorough audits that

evaluate inspection results, process protocol adherence, operator performance, process control, environmental monitoring, deviation handling, and change management. Based on audit outcomes, on-site quality assurance personnel make final release decisions by issuing release or rejection notices for APIs/intermediates.

We have also established a comprehensive maintenance program for our facilities and equipment, which primarily includes periodic inspection of production facilities and equipment as well as regular calibration of instruments to ensure ongoing compliance with operational and regulatory requirements.

Finished Product Quality Control

Each batch of finished drug products undergoes comprehensive sample testing by our quality control personnel, who issue finished drug product inspection reports for quality assurance personnel's review. Before delivering finished drug products to customers, all documentation relating to product quality, including batch records, laboratory testing records, production process records and other information that may impact product quality, are submitted to our quality assurance personnel for final review.

Our quality assurance personnel review all records in accordance with quality standards consistent with registration requirements and cGMP standards. Finished drug products that fail to meet our quality standards cannot be released and are destroyed or otherwise disposed of according to established procedures. Only finished drug products that have received quality control approval are authorized for market distribution.

Post-marketing Surveillance

We have implemented post-marketing surveillance systems to fulfill our regulatory obligations for drug safety monitoring and pharmacovigilance activities. Our surveillance framework includes adverse drug reaction reporting, safety signal detection, and regulatory communication in accordance with applicable regulations. We maintain dedicated personnel responsible for monitoring, evaluating, and reporting adverse drug reactions and safety-related information to regulatory authorities within prescribed timeframes. Our pharmacovigilance system enables us to promptly identify and respond to potential safety concerns while maintaining transparent communication with regulatory authorities regarding any safety-related findings.

SALES AND MARKETING

We have strategically positioned ourselves as a global pharmaceutical company by deepening our presence in China, the U.S., Europe, Japan, South Korea, and key emerging markets. Leveraging our internationally compliant manufacturing systems and global regulatory expertise, we strive to strengthen our established market position across major countries while actively expanding into high-potential emerging markets through targeted commercialization efforts.

During the Track Record Period, our revenue was primarily derived from the sales of marketed generic drug products and APIs/intermediates, covering a wide range of therapeutic areas including infectious diseases, immunology and oncology. Our marketing initiatives are primarily executed by our in-house 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.

Our Sales and Marketing Team

Our sales and marketing operations are managed by experienced professionals with strong sales capabilities and experience to support systematic planning and efficient network operations. Our sales and marketing team is responsible for product positioning research, market planning, business policy formulation, medical education activities, product tendering, price maintenance, sales contract management, and all other supporting functions for our marketing channels. We regularly provide in-house and external trainings to enhance the industry knowledge and marketing skills of our sales and marketing team. We have also put in place strict compliance measures and policies for our sales and marketing personnel, including anti-bribery and anti-corruption requirements. See also "— Risk Management and Internal Control — Internal Control — Anti-bribery and Anti-corruption."

Our Sales and Distribution Model

Our marketed products reach over 40 countries and regions globally, including numerous in-house developed APIs and intermediates holding Drug Master Files (DMFs) registrations across major markets — China, the U.S., Europe, Japan and South Korea — which have been frequently referenced by customers in their regulatory submissions. As we fortify and expand our specialty API business, we simultaneously advance into downstream formulation development, creating an integrated end-to-end value chain spanning from starting materials through high-complexity APIs/intermediates to finished products.

The following table sets forth a breakdown of our revenue by geographic area and distribution channel for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB in thousands	*%*	*RMB in thousands*	*%*	*RMB in thousands*	*%*
Chinese Mainland						
Direct sales[(1)]	470,283	40.4	325,726	26.0	288,733	24.1
Distributors	296,642	25.5	352,331	28.1	389,761	32.5
Subtotal	766,925	65.9	678,057	54.0	678,494	56.6
Outside Chinese Mainland						
Direct sales[(1)]	302,626	26.0	364,448	29.0	355,233	29.6
Distributors	94,072	8.1	212,363	16.9	164,478	13.7
Subtotal	396,698	34.1	576,811	46.0	519,711	43.4
Total	**1,163,623**	**100.0**	**1,254,868**	**100.0**	**1,198,205**	**100.0**

Note:

(1) Our direct sales primarily represent sales of APIs and intermediates to downstream pharmaceutical companies, both domestically and overseas.

We have established a geographically diversified sales and distribution model with distinct yet complementary commercial approaches for domestic and international markets.

- In Chinese Mainland, we generated revenue through a diversified portfolio of APIs/intermediates and finished drug products. For APIs/intermediates, we capitalize on our strong industry reputation to engage in direct sales to leading pharmaceutical companies in the domestic market, which also enables us to provide integrated solutions that enhance customer value. Our finished drug products are commercialized through a hybrid model: for generic formulations, we actively participate in centralized tender processes while concurrently developing distribution networks to maximize national coverage; for specialty and innovative products with higher technical barriers, we synchronize in-house sales team development with regulatory approval timelines to establish dedicated promotion capabilities.

- Outside Chinese Mainland, the majority of our revenue was derived from direct sales of API and intermediates. Our global sales team employs a diversified approach, including participation in key industry trade shows, targeted digital marketing, direct client engagement, and partnerships with local distributors in selected markets. This commercialization strategy allows us to maintain stringent quality control while systematically expanding our global footprint.

Direct Sales

Leveraging our well-established in-house sales and marketing capabilities, we actively expand into new markets while solidifying our ties with existing customers and identifying growth opportunities within existing markets. Through flexible commercial strategies, we capitalize on our strong relationships with downstream pharmaceutical companies, establishing early-stage partnerships during drug discovery to support their product development and commercialization efforts.

API and Intermediates

Our specialty APIs and intermediates for external sales are primarily procured by downstream customers through two phases: drug development stage (encompassing laboratory, pilot, and validation batches) and commercial-scale production. During drug development, customers typically establish partnerships with us early in the process, in recognition of our proprietary synthesis processes, high technical barriers, and limited availability of comparable-quality suppliers. Through synchronized API registration submissions that align with our partners' regulatory approval process, we secure designation as their long-term API supplier upon marketing approval. Following approval, while order volumes typically expand substantially with more moderate pricing, we maintain our preferred supplier position through two key competitive advantages: proprietary manufacturing processes that are instrumental to consistent quality and supply reliability, and early-filing registration status that creates significant switching barriers for competitors.

Capitalizing on our R&D expertise and technological leadership, we have established a differentiated position in the global pharmaceutical value chain. Notably, we provide targeted technical support and end-to-end development solutions to selected customers, accelerating their drug commercialization while securing structured profit-sharing arrangements upon product launch. Our successful implementation of this innovative business model with global pharmaceutical partners underscores our technical sophistication and sets us apart from domestic industry peers in China.

Finished Drug Products

For our finished drugs with higher technical barriers, including innovative drug candidates, we synchronize in-house sales team development with regulatory approval timelines to establish dedicated promotion capabilities. In particular, we are actively building our in-house capabilities through the progressive establishment of dedicated sales and marketing teams in strategic markets, enabling deep involvement in product promotion and market education while gradually strengthening our end-market insights and capabilities.

Distributors

We operate a seller-buyer model with our distributors, where they take ownership of the drug products upon delivery — assuming all associated risks, including unsold stock — and are not entitled to return the sold products unless in cases of product defects. This definitive transfer of ownership is distinguishable from consignment or principal-agent models, as our distributors then independently distribute our products to hospitals, retail pharmacies, and other end customers. We believe our distribution strategy helps extend our coverage in a cost-effective manner while we retain proper control over our distribution network and marketing activities.

To the best knowledge of our Directors, all our distributors during the Track Record Period and up to the Latest Practicable Date were Independent Third Parties. None of the distributors who transacted with us during the Track Record Period and up to the Latest Practicable Date were controlled by our former or current employees, uses our brand or name (except where expressly authorized by us for specific promotional activities), or has received any material advance or financial assistance from us.

Distribution Network

Our distributor network includes well-established pharmaceutical distributors, as well as regional distributors with deep market penetration within specific geographic areas. Our domestic distributors are licensed pharmaceutical companies principally engaged in the wholesale distribution of pharmaceutical products in China. For our international sales, our distributors are primarily trading companies with established local sales network that act as intermediaries to facilitate our transactions with end customers in the relevant overseas markets. As of December 31, 2025, our distribution network comprised over 330 distributors across 19 countries and regions.

The following table sets forth the movement of the number of our distributors for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year[(1)]	326	307	273
Addition of new distributors[(2)]	163	137	186
Termination of existing distributors[(3)]	182	171	121
Net increase/(decrease) in distributors	(19)	(34)	65
Number of distributors at the end of the year[(4)]	**307**	**273**	**338**

Notes:

(1) The numbers of distributors in this table are calculated on entity level, without combing distributors belonging to the same group.

(2) New distributors refer to distributors who (i) had at least one transaction with us in the relevant year; and (ii) did not have any transaction with us in the immediately preceding calendar year.

(3) Terminated distributors refer to distributors who (i) did not have any transaction with us in the relevant year; and (ii) had at least one transaction with us in the immediately preceding calendar year.

(4) The fluctuation in the number of our distributors during the Track Record Period primarily reflected market dynamics in the highly competitive pharmaceutical distribution sector, as we select partners best aligned with our market strategies, regional priorities, and expanding product portfolio. According to CIC, the pharmaceutical distribution industry is highly competitive and fragmented, providing us with ample options to identify and partner with qualified distributors without substantial obstacles or unreasonable costs.

The additions and terminations of distributors during the Track Record Period were primarily due to (i) the adjustment of our distribution arrangements for oseltamivir phosphate capsules, where we consolidated our network into a smaller number of key distributors to better manage pricing and oversee our distribution channels, resulting in the termination of distributors, and (ii) the addition of new distributors in connection with newly launched products.

Distributor Management

We choose our distributors based on their demonstrated distribution capabilities, knowledge of their respective markets, financial stability, creditworthiness, and operational scale. All distributors must hold the necessary licenses and permits for pharmaceutical sales and distribution. We regularly review the performance of our distributors based on their market coverage, sales growth, reputation, level of cooperation, compliance with the terms of our distribution agreement, and overall credit profiles.

Terms of Distribution Agreements

We enter into framework agreements with our distributors. Individual sales contracts or purchase orders are generally separately entered into or placed for each purchase. The following sets forth salient terms of our framework distribution agreements:

- ***Term***. The typical duration of distribution agreements is one year.
- ***Designated distribution area.*** Distributors are generally not allowed to sell or distribute our products outside of their designated distribution areas.
- ***Exclusivity.*** Distributors are granted the distributorship right for specified types of products in their designated distribution areas, generally on a non-exclusive basis.
- ***Sales target and minimum purchase requirement.*** Our agreements with distributors generally do not specify a mandatory annual sales target or minimum annual purchase amount.
- ***Pricing.*** Our selling prices to distributors are generally fixed during the term of the distribution agreements. In the event of a retail price change as a result of regulatory or policy changes, centralized tender processes, or pricing negotiations with the government during the term of the distribution agreement, we and the relevant distributors typically would negotiate price adjustments accordingly.
- ***Resale price management.*** Distributors typically have the right to handle negotiations with their customers. We generally do not control the prices at which our distributors resell our products to their customers.
- ***Product return and exchange.*** Our distributors may inspect the products on delivery. Returns and exchanges are generally not allowed unless in cases of product defects.
- ***Credit terms.*** We generally grant our distributors credit terms of 30 to 60 days, with longer terms granted to selected distributors with whom we have built a strong business relationship with demonstrated track record.
- ***Termination.*** We may terminate the distribution agreements in the event of any material breach by our distributors of the agreement, among other events.
- ***Compliance.*** Our distributors are required to comply with PRC laws and regulations, including anti-corruption and anti-bribery laws and regulations.

For overseas distributors, our arrangements typically consist of individual purchase orders and, where applicable, supplementary commercial agreements, rather than long-term distribution framework agreements. Specific terms may vary depending on the customers, products and local market conditions.

Prevention of Channel Stuffing

We have adopted various measures to prevent channel stuffing in our distribution network:

(i) *Demand-driven ordering*. We generally do not have mandatory sales targets for distributors, which encourages distributors to order based on actual market demand and sales forecasts.

(ii) *Ownership transfer and return restrictions*. We adopt a sales model that transfers full ownership of goods at the time of delivery, with returns prohibited during the contract term except for product defects. This model shifts the responsibility and risk of unsold inventory to distributors, incentivizing them to order based on actual sales demand to reduce holding costs and obsolescence risk.

(iii) *Monitoring and review processes*. We regularly sample different products and review sales and inventory data from our distributors, requesting further information if we identify any irregularities. We consider purchase volumes, historical data, regulatory changes, and other market factors to monitor our product sales.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any unusual procurements or sales activities that were inconsistent with distributors' past practices, nor did we notice any abnormally high inventory level of our distributors.

Prevention of Cannibalization

We manage cannibalization risk among our distributors through enforcement of our distribution agreements, which specify the designated products and geographic regions for each distributor. Our distributors are prohibited from distributing our products to customers outside their specified regions. In addition, for each of our products, we generally only maintain one primary distributor for each hospital. Our decision on whether to sell directly or through distributors for a particular product is generally determined based on the nature of the product, the type of end customer and the prevailing market conditions, such that the risk of overlap between our direct sales and distributor sales channels is minimized. We regularly review the performance and coverage of our distributors and make adjustments to our distribution arrangements as needed so that each channel continues to serve its intended customer base effectively. We also monitor market feedback and sales data across channels to identify and address potential channel overlap at an early stage.

Our Directors are of the view that the above measures are sufficient to mitigate potential cannibalization and competition among our distributors. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material cannibalization or competition among our distributors in the distribution network within the same geographical areas.

Implication of and Compliance with the "Two-Invoice System" in China

Our finished drug products are subject to the "Two-Invoice System" in China, a pharmaceutical procurement policy designed and enforced by the PRC government to reduce drug prices by streamlining the supply chain. Under this system, only two invoices are allowed between manufacturers and hospitals or other medical institutions: one from the manufacturer to the distributor, and another from the distributor to the hospitals (or other medical institutions). This system — mandatory for public medical institutions but optional for private institutions — reduces potential markups by multiple layers of distributors, promoting pricing transparency and reducing costs for the public healthcare system. Manufacturers and distributors that violate the two-invoice system requirements may face disqualification from future public tenders, loss of hospital distribution rights, and inclusion on procurement blacklists. See also "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Laws and Regulations in Relation to Medical Industry — Drug Distribution and Two-Invoice System."

In our agreements with distributors, we specify designated regions and types of end-customers for each distributor. We implement tailored compliance strategies based on end-customer requirements: (i) for sales to public hospitals, we strictly comply with Two-Invoice System requirements, requiring our distributors to sell directly to public hospitals without involving any sub-distributors; (ii) for sales to non-public end-customers such as retail pharmacies, clinics and private hospitals, where the Two-Invoice System is not mandatory, we do not prohibit our distributors from engaging sub-distributors to expand market coverage, accommodating the fragmented nature of healthcare procurement channels — a practice that aligns with industry norm, according to CIC. We do not have contractual relationships with sub-distributors engaged by our distributors, who hold primary supervisory responsibilities over their respective sub-distributors.

We take various measures to monitor and enhance our distributors' compliance with the Two-Invoice System. Our distribution agreements require distributors to comply with the Two-Invoice System where applicable, and we periodically review distributors' downstream sales to verify compliance. In particular, for products sold in regions where we have entered into VBP schemes, compliance with the Two-Invoice System is a prerequisite for distributors to participate in the distribution arrangement. Our Directors confirm that we had complied with the Two-Invoice System in all material respects during the Track Record Period and up to the Latest Practicable Date.

Marketing Activities

For our finished drug products, we organize and participate in academic conferences, seminars and symposia, engaging in professional discussions with KOLs and healthcare professionals in our target therapeutic areas. Through these academic activities and knowledge sharing sessions, we enhance healthcare professional' understanding of the clinical efficacy, safety and cost-effectiveness of our products. Additionally, we leverage digital marketing channels, such as corporate website and WeChat official account, to deliver product information, medical education content, and real-time clinical cases to expand our reach and improve engagement efficiency with healthcare professionals and customers. For our APIs and intermediates, we primarily promote our products through participation in major exhibitions and tailored product presentations for existing and prospective customers. This multi-channel approach enables us to broaden our exposure to global pharmaceutical manufacturers, strengthen long-term customer relationships, and enhance visibility and brand recognition across the value chain.

To supplement our in-house capabilities, we engage third-party promoters who assist us with professional product information dissemination, academic conference promotion, digital marketing campaigns, brand promotion and market research. These promoters help us collect market data relating to hospitals, product flow, competitor activities, and regional market conditions, enabling us to optimize our promotional strategies and resource allocation. Through targeted market research and data analysis, we continuously refine our promotional approaches to align with market dynamics and regulatory requirements. We also require our third-party promoters to strictly comply with the anti-bribery requirements in our promotion agreements as well as other applicable laws and regulations.

PRICING

We formulate and implement comprehensive pricing strategies for our products to maintain competitiveness and profitability in the pharmaceutical market. Our pricing decisions take into account multiple factors, including our R&D, production and marketing costs and expenses, the regulatory framework, the perceived value of our products to patients and healthcare providers, and our market position within the competitive landscape.

We are committed to building a targeted portfolio strategy centered on technically complex generics, specialty APIs/intermediates, and innovative drugs. This focused approach enables us to build and maintain substantial technological barriers to entry across our product portfolio and pipeline. Overall, our specialized expertise in these high-potential segments provides competitive advantages, including pricing discretion for products with limited competition.

Pricing of Finished Drug Products

In China, upon obtaining marketing approval, drug products intended for sales to public hospitals and medical institutions, are generally required to be listed on centralized procurement platform (the "**Platform Listing**"), and listing prices are typically subject to, among others, requirements under applicable VBP schemes, negotiated pricing outcomes under the NRDL framework, cross-regional price linkage mechanisms, and minimum price or price commitment requirements, as well as other applicable platform administration. As of the Latest Practicable Date, all our finished drug products currently marketed in China had been listed on centralized

procurement platforms across multiple provinces in China. In non-public channels, such as retail pharmacies and other private medical institutions, pricing is generally market-driven, although it may still be affected by reimbursement policies, channel arrangements and market competition.

During the Track Record Period, a substantial majority of our revenue generated from the sales of finished dose generic products was derived from China. Our pricing strategies are significantly influenced by the regulatory framework governing pharmaceutical procurement and reimbursement in China, particularly the VBP schemes and the NRDL. We continuously monitor regulatory developments and adapt our pricing strategies to navigate these complex mechanisms while maintaining sustainable business operations.

VBP Schemes

VBP represents a fundamental evolution in China's pharmaceutical procurement system, implementing "volume-for-price" exchange mechanisms designed to achieve substantial cost reductions for high-volume, mature pharmaceutical products with sufficient market competition. Unlike Platform Listing, VBP schemes require direct manufacturer participation due to the significant volume commitments, quality guarantees and production capacity requirements inherent in these agreements.

The national VBP program, coordinated by the National Healthcare Security Administration ("**NHSA**"), establishes unified procurement standards across participating provinces and regions. Products eligible for national VBP typically include those with established clinical utility, significant market volumes and adequate competitive supply, specifically requiring the presence of one originator product and at least six generic manufacturers that have successfully passed consistency evaluation with the originator to ensure therapeutic equivalence and competitive bidding dynamics. Under VBP schemes, winning bidders receive guaranteed market share commitments in exchange for substantial price reductions. This volume certainty provides predictable revenue streams but significantly impacts profit margins compared to traditional procurement mechanisms. Provincial VBP schemes complement the national framework by addressing products not yet covered under national programs, generally following similar competitive principles adapted to regional market conditions. For the years ended December 31, 2023, 2024 and 2025, three, one and one of our marketed finished drug products, respectively, participated in national VBP tenders. We secured bids for two products in 2023 and the one product tendered in each of 2024 and 2025, achieving selection rates of 66.7%, 100.0% and 100.0%, respectively.

As of December 31, 2025, five of our marketed finished drug products were included in national VBP scheme, including our major marketed products oseltamivir phosphate (powder for oral suspension) and micafungin sodium injection. See also "— Our Product Portfolio." Revenue generated from sales of products pursuant to the implementation of national VBP schemes amounted to RMB62.3 million, RMB77.5 million and RMB83.9 million in 2023, 2024 and 2025, respectively, representing 5.4%, 6.2% and 7.0% of our total revenue for the corresponding years. While VBP participation provides volume certainty and expanded market access, it creates downward pressure on our product pricing and requires careful strategic consideration regarding our participation decisions and pricing proposals.

In January, 2026, the NHSA and other regulatory authorities jointly initiated a national follow-on VBP scheme for pharmaceutical products upon agreement expiry. Pursuant to this follow-on scheme, Jiangsu, Henan, and Guangdong were designated as lead provinces to organize national centralized procurements covering 315 drug varieties previously selected across the first to the eighth batches of the national VBP scheme. Four of our marketed products, including our major marketed products micafungin sodium for injection, oseltamivir phosphate capsules and oseltamivir phosphate powder for oral suspension, were eligible to participate in this follow-on procurement and successfully won the bids in February 2026. The relevant VBP results were implemented in March 2026.

Subject to applicable eligibility requirements and the availability of suitable opportunities, we may seek to enroll other marketed finished drug products into the VBP schemes in the future, including eribulin mesylate injection and budesonide suspension for inhalation.

NRDL

The NRDL forms the basis for medical insurance coverage and reimbursement standards under China's basic medical insurance, work-related injury insurance and maternity insurance programs. NRDL inclusion significantly influences market dynamics by determining patient access to insurance reimbursement for covered medications, thereby affecting both demand patterns and achievable pricing levels. The NHSA, in conjunction with other relevant government authorities, maintains authority over NRDL composition and updates the list through rigorous evaluation processes that assess clinical necessity, cost-effectiveness and budgetary impact. Products undergo comprehensive evaluation based on established selection criteria including clinical efficacy, safety profiles, therapeutic value compared to existing alternatives, and economic considerations.

As of December 31, 2025, nine of our marketed finished drug products were included in the NRDL, including our major marketed products micafungin sodium injection, oseltamivir phosphate (capsule and powder for oral suspension) and eribulin mesylate injection. See also "— Our Product Portfolio." All these products are generic drugs and are generally administered under the NRDL by reference to their generic names, and are not required to undergo national medical insurance negotiation or bidding for NRDL inclusion. Unlike negotiated drugs, these products are not subject to a product-specific agreement period or separate renewal arrangements, but remain subject to the then-effective NRDL, its subsequent adjustments and local implementation requirements. Revenue recognized from sales of the relevant products following their NRDL inclusion amounted to RMB118.9 million, RMB144.3 million and RMB160.8 million in 2023, 2024 and 2025, respectively, representing 10.2%, 11.5% and 13.4% of our total revenue for the corresponding years. NRDL inclusion represents both an opportunity for enhanced market access and a commitment to pricing frameworks that support broad patient accessibility within China's healthcare insurance system. While NRDL inclusion provides substantial market advantages through enhanced patient accessibility and reduced out-of-pocket costs, it may also result in price adjustments through negotiated pricing mechanisms designed to balance patient access with healthcare system sustainability.

For further details on the risks associated with the VBP scheme and other pricing regulations in China, as well as the NRDL and other government-sponsored medical insurance programs, see "Risk Factors — Risks Relating to Our Business and Industry."

Specifically, as of the Latest Practicable Date, all of our major finished drug products, except for eribulin mesylate injection, had been included in national VBP schemes. The pricing of these products is therefore generally determined by the applicable VBP bid prices and procurement rules, and our pricing flexibility is limited accordingly. Our pricing approach for these products focuses primarily on bid competitiveness, manufacturing efficiency, supply reliability and quality assurance. Eribulin mesylate injection had been included in the NRDL but not in any national VBP scheme as of the Latest Practicable Date. Its pricing is therefore not subject to VBP tender pricing, but is instead determined with reference to the reimbursement environment, patient affordability, hospital access and the prices of originator and competing products.

Our innovative drug candidates are currently focused on metabolic and respiratory diseases and remain pre-commercial. Innovative drugs in China are generally not priced through the VBP schemes at launch. Accordingly, pricing of these candidates upon commercialization is expected to be determined primarily by clinical value, therapeutic differentiation, target patient population, prices of competing products and reimbursement and negotiation outcomes.

For our generic drug candidates currently under development, which primarily comprise high-barrier products including complex inhalation formulations, pricing upon commercialization will depend materially on whether the relevant product category becomes subject to VBP schemes.

Where VBP schemes apply, pricing is expected to be constrained by the relevant procurement rules and competitive bidding dynamics. Where it does not — for instance, due to the technical complexity of the formulation or delivery device — pricing is expected to be set primarily with reference to reimbursement environment, originator or competing product prices and barriers to entry.

Pricing of APIs and Intermediates

For our APIs/intermediates products, which are current sold in over 40 countries and regions worldwide, our pricing strategies are tailored to each market's competitive landscape and regularly reviewed to maintain optimal positioning.

Governments generally do not impose pricing regulations on APIs/intermediates, as these products are not directly applied to patients and are not covered by public medical insurance. We sell our APIs/intermediates to our customers at the prices set in the supply agreements, which generally take into consideration of the market price, our cost of sales, our target profit margin and the purchase amount. We primarily conduct sales with our customers through individual purchase orders, with prices determined based on prevailing market conditions and subject to adjustment as appropriate.

Furthermore, the implementation of pricing regulations such as VBP may create pricing pressures for downstream generic drug manufacturers, particularly for products already facing intense competition. These cost pressures may extend upstream to API and intermediate suppliers, potentially leading to price adjustments throughout the supply chain. See also "Risk Factors — Risks Relating to Our Business and Industry — Pricing regulations or other policies such as volume-based procurement that are intended to reduce healthcare costs could subject us to pricing and volume pressures and adversely affect our operations, revenue and profitability."

PRODUCT RETURNS AND WARRANTIES

We have established a comprehensive internal control system to minimize the risks related to drug quality and safety to the greatest extent possible. For details about our post-marketing surveillance system, see "— Quality Management — Post-marketing Surveillance." During the Track Record Period and up to the Latest Practicable Date, we did not have any product recall due to quality issues.

We generally do not accept any product returns and exchanges, except for product defects. Our return and exchange procedures are managed by the respective business divisions with support from our finance department, quality management personnel, and warehouse operations. The return process is initiated through a formal return request submitted by the business manager of the relevant division. Following approval from the division head and our finance department, the business manager coordinates return logistics with our customers. Upon receipt, our warehouse personnel conduct initial inspection of returned goods, followed by comprehensive quality inspection and final review by our quality control personnel. For products determined to be defective due to manufacturing issues, we assume full responsibility for associated return and replacement costs. For details on our return policy with our distributors, see "— Sales and Marketing — Sales — Distributors — Distributor Management."

We maintain robust procedures for collecting, analyzing, and responding to customer feedback and addressing quality-related concerns. Our sales and marketing team coordinates investigation and resolution of customer complaints to ensure appropriate follow-up and satisfactory resolution of identified issues. We have implemented detailed procedures for handling quality complaints and managing any adverse reactions reported in connection with our products, timely communicating with relevant parties to implement appropriate corrective measures when necessary.

During the Track Record Period and up to the Latest Practicable Date, the financial impact of product returns on our overall business operations was minimal and we did not experience any material customer complaints, product liability claims, or other disputes arising from alleged product quality defects or safety issues.

OUR CUSTOMERS

During the Track Record Period, our customers primarily consisted of pharmaceutical companies who purchase APIs and intermediates from us, as well as our distributors. For the years ended December 31, 2023, 2024 and 2025, revenue from our five largest customers for each year amounted to RMB322.3 million, RMB451.6 million, and RMB329.9 million, respectively, accounting for 27.7%, 36.0% and 27.6% of our total revenue for the respective years, respectively, and revenue from our largest customer for each year amounted to RMB82.9 million, RMB130.9 million, and RMB94.9 million, respectively, accounting for 7.1%, 10.4% and 7.9% of our total revenue for the respective years. The following table sets forth details of our five largest customers for each year during the Track Record Period:

Customer	Background	Products Provided	Commencement of Business Relationship	Credit Terms	Revenue Contribution (RMB in thousands)	% of Total Revenue
For the year ended December 31, 2025						
Customer A[1]	A private company headquartered in Switzerland, primarily engaged in provision of APIs, finished dosage forms and technical services, with more than 130 employees	APIs and intermediates	2013	30 days	94,918	7.9%
Customer B[2]	A private company headquartered in the United States, primarily engaged in provision of APIs, finished dosage forms and technical services	APIs and intermediates	2015	45 days	79,314	6.6%
Customer C	A private company headquartered in Spain, primarily engaged in provision of APIs, finished dosage forms, and technical services, with more than 450 employees	APIs and intermediates	2015	90 days	57,007	4.8%
Customer D	A private company headquartered in Jiangsu, China, primarily engaged in the research and development, production, sales and promotion of dermatological drugs, functional skincare products and nephrological drugs, with a registered capital of RMB138.2 million and more than 350 employees	APIs and intermediates	2023	30 days	49,919	4.2%
Customer E	A private company headquartered in Spain, primarily engaged in provision of APIs, finished dosage forms, and technical services, with more than 800 employees	APIs and intermediates	2020	60 days	48,696	4.1%
Total					**329,854**	**27.6%**
For the year ended December 31, 2024						
Customer B[2]	A private company headquartered in the United States, primarily engaged in provision of APIs, finished dosage forms and technical services	APIs and intermediates	2015	45 days	130,875	10.4%
Customer A[1]	A private company headquartered in Switzerland, primarily engaged in provision of APIs, finished dosage forms and technical services, with more than 130 employees	APIs and intermediates	2013	30 days	117,670	9.4%
Customer C	A private company headquartered in Spain, primarily engaged in provision of APIs, finished dosage forms, and technical services, with more than 450 employees	APIs and intermediates	2015	90 days	81,664	6.5%
Customer F[3]	A private company headquartered in Dalian, Liaoning, China, together with its affiliated companies, primarily engaged in the research and development of new and generic drugs, herbal and chemical raw materials, and the import and export of pharmaceutical intermediates, with a registered capital of over RMB6.2 million and more than 30 employees	APIs and intermediates	2016	45 days	62,154	5.0%
Customer G	A private company headquartered in the United States, primarily engaged in provision of APIs and CDMO services	APIs and intermediates	2019	60 days	59,265	4.7%
Total					**451,628**	**36.0%**

Customer	Background	Products Provided	Commencement of Business Relationship	Credit Terms	Revenue Contribution (RMB in thousands)	% of Total Revenue
For the year ended December 31, 2023						
Customer H . . .	A public company listed on the Shanghai Stock Exchange and headquartered in Zhejiang, primarily engaged in R&D, manufacturing and sales of pharmaceutical products, with a registered capital of over RMB1.5 billion and more than 9,000 employees	APIs and intermediates	2013	60 days	82,892	7.1%
Customer A(1) .	A private company headquartered in Switzerland, primarily engaged in provision of APIs, finished dosage forms, and technical services, with more than 130 employees	APIs and intermediates	2013	30 days	75,271	6.5%
Customer C . . .	A private company headquartered in Spain, primarily engaged in provision of APIs, finished dosage forms and technical services, with more than 450 employees	APIs and intermediates	2015	90 days	61,806	5.3%
Customer F(3). .	A private company headquartered in Dalian, Liaoning, China, together with its affiliated companies, primarily engaged in the research and development of new and generic drugs, herbal and chemical raw materials, and the import and export of pharmaceutical intermediates, with a registered capital of over RMB6.2 million and more than 30 employees	APIs and intermediates	2016	45 days	59,115	5.1%
Customer I . . .	A public company listed on the Shanghai Stock Exchange and headquartered in Jiangsu, primarily engaged in R&D, manufacturing and sales of pharmaceutical products, with a registered capital of over RMB1.6 billion and more than 1,300 employees	APIs and intermediates	2018	45 days	43,189	3.7%
Total					**322,273**	**27.7%**

Notes:

(1) Customer A, one of our five largest customers in 2023, 2024 and 2025, was also our supplier in 2024. Revenue from sales to Customer A accounted for 6.5%, 9.4% and 7.9% of our total revenue in 2023, 2024 and 2025. Our purchase from Customer A was RMB2.7 million in 2024, representing 0.4% of our total purchases in 2024. In 2023, 2024 and 2025, gross profit derived from our sales to Customer A amounted to RMB31.9 million, RMB95.0 million and RMB56.0 million, representing 4.9%, 12.9% and 8.6% of our total gross profit for the same year.

(2) Customer B, one of our five largest customers in 2024 and 2025, was also our supplier in 2023. Revenue from sales to Customer B accounted for 10.4% of our total revenue in 2024. Our purchase from Customer B was RMB80 thousand in 2023, representing less than 0.1% of our total purchases in 2023. In 2023, 2024 and 2025, gross profit derived from our sales to Customer B amounted to RMB61.0 million, RMB95.0 million and RMB76.9 million, representing 9.3%, 12.9% and 11.8% of our total gross profit for the same year.

(3) Customer F, one of our five largest customers in 2023 and 2024, was also our supplier in 2023, 2024 and 2025. Revenue from sales to Customer F accounted for 5.1% and 5.0% of our total revenue in 2023 and 2024, respectively. Our purchase from Customer F was RMB4 thousand, RMB0.3 million and RMB0.3 million in 2023, 2024 and 2025, respectively, representing less than 0.1% of our total purchases for the respective years. In 2023, 2024 and 2025, gross profit derived from our sales to Customer F amounted to RMB12.5 million, RMB30.4 million and RMB29.6 million, representing 2.0%, 4.1% and 4.5% of our total gross profit for the same year.

To the best of our knowledge, (i) all of our five largest customers for each year during the Track Record Period were Independent Third Parties; and (ii) none of our Directors, their respective associates or any shareholder who owned more than 5% of our issued share capital of our Company as of the Latest Practicable Date, had any interest in any of our five largest customers for each year during the Track Record Period.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of suppliers of raw materials and CRO services. We implement a strict procurement and supplier management system with comprehensive controls covering the entire procurement lifecycle. For details, see "— Quality Management — Supply Chain Quality Control."

For the years ended December 31, 2023, 2024 and 2025, our purchases from our five largest suppliers for each year amounted to RMB193.4 million, RMB161.0 million, and RMB383.5 million, respectively, accounting for 27.3%, 23.2% and 39.2% of our total purchases for the respective years, and our purchases from our largest supplier for each year amounted to RMB89.0 million, RMB43.9 million, and RMB268.4 million, respectively, accounting for 12.6%, 6.3% and 27.5% of our total purchases for the respective years. The increase in purchases from our largest supplier in 2025 was mainly attributable to higher spending on clinical trial activities for BGM0504 as compared with earlier years.

The following table sets forth details of our five largest suppliers for each year during the Track Record Period:

Supplier	Background	Products/Services Purchased	Commencement of Business Relationship	Credit Terms	Purchase Amount (RMB in thousands)	% of Total Purchase
For the year ended December 31, 2025						
Supplier A[(1)(2)]	A public company listed on the Shanghai Stock Exchange and headquartered in Beijing, primarily engaged in the provision of CDMO services and technical development, with a registered capital of RMB112.0 million and over 1,300 employees	CRO services	2020	10 to 20 days	268,402	27.5%
Supplier B[(3)]	A private company headquartered in Chongqing, China, primarily engaged in provision of APIs, intermediates and biotechnology services, with a registered capital of over RMB287.0 million and more than 540 employees	Raw materials	2016	30 days	38,338	3.9%
Supplier C	A public company listed on the Shanghai Stock Exchange and the Stock Exchange, headquartered in Jiangsu, primarily engaged in provision of pharmaceutical R&D services, with a registered capital of over RMB2.9 billion and more than 33,800 employees	CRO services	2015	15 days	31,193	3.2%
Supplier D	A private company headquartered in the U.S., primarily engaged in provision of professional analytic and diagnostic services for the medical profession	CRO services	2024	30 days	26,562	2.7%
Supplier E	A private company headquartered in Nantong, Jiangsu, China, primarily engaged in the development of APIs and intermediates, with a registered capital of over RMB12.9 million and more than 60 employees	Raw materials	2016	45 days	18,991	1.9%
Total					**383,486**	**39.2%**

Supplier	Background	Products/Services Purchased	Commencement of Business Relationship	Credit Terms	Purchase Amount (RMB in thousands)	% of Total Purchase
For the year ended December 31, 2024						
Supplier A[(1)(2)]	A public company listed on the Shanghai Stock Exchange and headquartered in Beijing, primarily engaged in the provision of CDMO services and technical development, with a registered capital of RMB112.0 million and over 1,300 employees	CRO services	2020	10 to 20 days	43,863	6.3%
Supplier F[(4)]	A private company headquartered in Nanjing, Jiangsu, China, primarily engaged in pharmaceutical manufacturing and technical development, with a registered capital of RMB3.0 million and over 25 employees	Raw materials	2020	30 days	36,746	5.3%
Supplier G	A private company headquartered in Tianjin, China, primarily engaged in pharmaceutical manufacturing and technical development, with a registered capital of RMB0.8 million	Raw materials	2015	60 days	36,083	5.2%
Supplier B[(3)]	A private company headquartered in Chongqing, China, primarily engaged in provision of APIs, intermediates, and biotechnology services, with a registered capital of over RMB287.0 million and more than 540 employees	Raw materials	2016	30 days	24,204	3.5%
Supplier E	A private company headquartered in Nantong, Jiangsu, China, primarily engaged in the development of APIs and intermediates, with a registered capital of over RMB12.9 million and more than 60 employees	Raw materials	2016	45 days	20,097	2.9%
Total					**160,993**	**23.2%**
For the year ended December 31, 2023						
Supplier H	A private company headquartered in Suzhou, Jiangsu, China, primarily engaged in provision of technical services, with a registered capital of RMB8.0 million	Raw materials	2022	30 days	88,951	12.6%
Supplier A[(1)(2)]	A public company listed on the Shanghai Stock Exchange and headquartered in Beijing, primarily engaged in the provision of CDMO services and technical development, with a registered capital of RMB112.0 million and over 1,300 employees	CRO services	2020	10 to 20 days	32,070	4.5%
Supplier G	A private company headquartered in Tianjin, China, primarily engaged in pharmaceutical manufacturing and technical development, with a registered capital of RMB0.8 million	Raw materials	2015	60 days	31,982	4.5%
Supplier B[(3)]	A private company headquartered in Chongqing, China, primarily engaged in provision of APIs, intermediates and biotechnology services, with a registered capital of over RMB287.0 million and more than 540 employees	Raw materials	2016	30 days	22,850	3.2%
Supplier F[(4)]	A private company headquartered in Nanjing, Jiangsu, China, primarily engaged in pharmaceutical manufacturing and technical development, with a registered capital of RMB3.0 million and over 25 employees	Raw materials	2020	30 days	17,521	2.5%
Total					**193,374**	**27.3%**

Notes:

(1) The increase in purchases from Supplier A in 2025 was mainly attributable to the concurrent advancement of multiple clinical studies for BGM0504 and other R&D projects, which resulted in higher milestone-based service fees and clinical trial expenditures such as subject costs and site fees incurred within the period. For clarity, Supplier A provided site management, patient enrollment, data management and other ancillary services, and did not act as a co-developer of BGM0504. Under our agreements with Supplier A, all intellectual property and data generated from the clinical studies are owned exclusively by us. In addition to our CRO management measures, we contractually require Supplier A to adhere to prevailing PRC regulatory requirements and engage independent third parties for quality oversight. Having considered the substitutable nature of CRO services, the availability of qualified alternative providers, and the stage-specific nature of the elevated procurement concentration, our Directors are of the view that we do not have material reliance on Supplier A.

(2) Supplier A, one of our five largest suppliers in 2023, 2024 and 2025, was also our customer in the respective years. Purchase from Supplier A accounted for 4.5%, 6.3% and 27.5% of our total purchase in 2023, 2024 and 2025, respectively. Revenue from Supplier A was RMB0.2 million, RMB9.9 million and RMB0.1 million in 2023, 2024 and 2025, respectively, representing less than 0.1%, 0.8% and less than 0.1% of our total revenues for the respective years. During the Track Record Period, gross profit derived from our sales to Supplier A amounted to RMB18 thousand, RMB8.2 million and RMB0.1 million, representing less than 0.1%, 1.1% and less than 0.1% of our total gross profit for the same year.

(3) Supplier B, one of our five largest suppliers in 2023, 2024 and 2025, was also our customer in 2024. Purchase from Supplier B accounted for 3.2%, 3.5% and 3.9% of our total purchase in 2023, 2024 and 2025, respectively. Revenue from Supplier B was RMB5 thousand in 2024, representing less than 0.1% of our total revenue in 2024. In 2024, gross profit derived from our sales to Supplier B amounted to RMB5 thousand, representing less than 0.1% of our total gross profit for the same year.

(4) Supplier F, one of our five largest suppliers in 2023 and 2024, was also our customer in 2024. Purchase from Supplier F accounted for 2.5% and 5.3% of our total purchase in 2023 and 2024, respectively. Revenue from Supplier F was RMB0.2 million in 2024, representing less than 0.1% of our total revenue in 2024. In 2024, gross profit derived from our sales to Supplier F amounted to RMB0.2 million, representing less than 0.1% of our total gross profit for the same year.

To the best of our knowledge, (i) all of our five largest suppliers for each year during the Track Record Period were Independent Third Parties; (ii) none of our Directors, their respective associates or any shareholder who owned more than 5% of our issued share capital of our Company as of the Latest Practicable Date, had any interest in any of our five largest suppliers for each year during the Track Record Period.

OVERLAPPING OF OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest suppliers during each year were also our customers, and certain of our five largest customers during each year were also our suppliers. For these overlapping customers and suppliers, we primarily provided them with APIs and intermediates, and the products and services we procured from them mainly included intermediates, pharmaceutical reference materials, consulting services, and related processing services. The overlap primarily arose from the characteristics of the pharmaceutical industry and our business model. This dual relationship reflected mutually beneficial commercial arrangements and supply chain efficiencies that are common in the pharmaceutical industry, particularly among companies engaged in the provision of both finished drug products and APIs/intermediates.

According to CIC, it is common in the pharmaceutical industry for a company's suppliers to also be its customers and vice versa, given the diversified nature of pharmaceutical businesses, which typically span R&D, manufacturing, and commercial operations, and the degree of overlap between our customers and suppliers is consistent with industry norms.

Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from the overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm's-length basis. Save as disclosed above, to the best of our knowledge, none of our five largest suppliers during each year or period of the Track Record Period was a customer of us, and none of our five largest customers during each year or period of the Track Record Period was a supplier of us.

IMPACT OF COVID-19

During the Track Record Period and up to the Latest Practicable Date, COVID-19 had not had material adverse impact on our business operations or financial performance, and we did not experience any major delay or disruption to our operations during the same period. Furthermore, the production or delivery schedules of our suppliers did not encounter any material delays or disruptions caused by COVID-19, and the R&D progress of our drug candidates was not materially impacted by COVID-19. While COVID-19 had posed certain operational challenges, including temporary disruptions to logistics, supply chain and employee attendance, it did not result in any material delay or disruption to our overall operations, especially in light of the mitigation measures we implemented. As COVID-19's global impact continued to lessen, our Directors do not expect COVID-19 to have a material adverse impact on our business going forward. See also "Risk Factors — Risks Relating to Our Operations — We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control."

INTELLECTUAL PROPERTY

We are committed to the development and protection of our intellectual properties. Our future success depends significantly on our ability to obtain and maintain robust patent coverage, as well as other forms of intellectual property rights, for the key technologies, inventions, and know-how underlying our product portfolio and technology platforms. Equally important is our ability to defend and enforce these intellectual property rights, preserve the confidentiality of our trade secrets, and ensure our freedom to operate without infringing upon, misappropriating, or otherwise violating the valid intellectual property rights held by third parties.

We have a global portfolio of patents to protect our product portfolio and technologies. As of December 31, 2025, we owned (i) 298 issued patents, including 218 in China, 12 in the U.S., and 68 in other jurisdictions, and (ii) 201 patent applications, including 151 in China, seven in the U.S., three in Europe, 14 under the Patent Cooperation Treaty (PCT) filed in China, and 26 in other jurisdictions. The following table summarizes the details of the granted patents and patent applications for marketed products and product candidates that are material to our business operations. For details, see "Appendix VII — Statutory and General Information — B. Further Information About our Business — Intellectual Property Rights — Patents."

Related Product	Scope of Patent Protection	Category	Registration No./ Application No.	Jurisdiction	Patent Holders/Applicants	Expiration Date[1]
BGM0504	BGM0504 Compound	Invention	CN115124602B/ 202210294984.3	China	The Company; BrightGene Pharmaceutical	March 23, 2042
BGM0504	BGM0504 Compound	Invention	US12215133B2/ 18/540,219	United States	The Company; BrightGene Pharmaceutical	March 23, 2042
BGM0504	BGM0504 Compound	Invention	ZA202309366B/ 2023/09366	South Africa	The Company; BrightGene Pharmaceutical	March 23, 2042
Fondaparinux Sodium	Preparation Method	Invention	CN104418924B/ CN201310380690.3	China	The Company; Taixing BrightGene	August 28, 2033
Eribulin	Preparation Method	Invention	CN111689982B/ CN201910197071.8	China	The Company	March 15, 2039
Oseltamivir Phosphate	Preparation Method	Invention	CN109574869B/ CN201811643134.X	China	The Company	December 29, 2038
Caspofungin	Preparation Method	Invention	CN106755224B/ CN201710048169.8	China	The Company; BrightGene Pharmaceutical	January 20, 2037
Posaconazole	Preparation Method	Invention	CN105622591B/ CN201410616727.2	China	The Company; BrightGene Pharmaceutical	November 6, 2034
Argatroban	Preparation Method	Invention	CN102329371B/ CN201110281988.X	China	The Company; BrightGene Pharmaceutical	August 6, 2027
Atomization assembly, container assembly and nasal spray device	Drug delivery device	Invention	CN119633213B/ CN202510075501.4	China	Atmen Pharmaceutical	January 17, 2045
Elastic protective member, nozzle assembly and atomizing device	Drug delivery device	Invention	CN119548717B/ CN202410729370.2	China	Atsenbo Pharmaceutical	June 6, 2044
Bag-valve assembly for metered atomization device and metered atomization device	Drug delivery device	Invention	CN116115868B/ CN202310333860.6	China	Atmen Pharmaceutical	March 31, 2043

Related Product	Scope of Patent Protection	Category	Registration No./ Application No.	Jurisdiction	Patent Holders/Applicants	Expiration Date[1]
Metered atomization device	Drug delivery device	Invention	CN116328111B/ CN202310333545.3	China	Atmen Pharmaceutical	March 31, 2043
Nasal-to-brain product	Drug delivery device	Invention	CN113616886B/ CN202110954143.6	China	Atsenbo Pharmaceutical	August 19, 2041

Note:

(1) Patent expiration does not include any applicable patent term extensions.

As of December 31, 2025, we had 152 registered trademarks including 146 in China and six registered trademarks in other jurisdictions, and filed 14 trademark applications in China. As of the same date, we were also the registered owner of nine domain names.

Beyond our standard employment agreement, we enter into additional confidentiality agreements with all our R&D personnel, which provide that all relevant intellectual property rights developed by them during their employment with us should become our intellectual property and are treated as trade secrets. We also follow specific procedures, such as patent searches, to minimize the risk of infringing on the intellectual property rights of others. In 2025, we engaged (i) PRC IP counsel to conduct freedom-to-operate searches and analyses ("**FTO Analysis**") in China on BGM0504 and BGM1812, and (ii) U.S. IP counsel to conduct FTO Analysis in the United States on BGM0504. Our Directors confirm that no substantial risk of infringement had been identified from the FTO Analysis in relation to BGM0504 and BGM1812.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings involving claims of infringement of intellectual property rights which may have a material adverse effect on our business, financial condition and results of operations. See also "Risk Factors — Risks Relating to Intellectual Property Rights — We may from time to time be involved in legal proceedings and disputes to protect or enforce our intellectual property rights, or defend against infringement and other claims alleged by third parties, which could be expensive, time consuming and unsuccessful."

COMPETITION

The pharmaceutical and biopharmaceutical industries are characterized by rapidly advancing technologies, competition, and a strong emphasis on proprietary drugs. We operate in a highly competitive environment, facing companies engaged in the development, manufacturing and commercialization of APIs, intermediates, generic products and innovative drugs across multiple therapeutic areas. Competition arises from various aspects including technology and manufacturing capabilities, product quality and reliability, R&D strength, pricing, and market reach.

We believe our competitiveness is supported by our diversified business model bridging advanced API production, complex formulation development and innovation-driven research, underpinned by integrated R&D and manufacturing platforms, global-standard quality management and an expanding commercialization network. These capabilities allow us to provide differentiated, high-quality pharmaceutical solutions to partners and patients worldwide.

Our sustained competitiveness will depend on maintaining technological leadership in complex API and formulation technologies, continuing to enhance our R&D and manufacturing efficiency, deepening commercialization in both domestic and overseas markets, and cultivating high-caliber scientific and managerial teams to support our long-term growth and global development. For details of the market landscape and the competition we face, see "Industry Overview."

EMPLOYEES

As of December 31, 2025, we had 1,196 full-time employees, the majority of whom were based in China. The following table sets forth the number of our employees by function as of December 31, 2025.

Function	Number of Employees	Percentage
Research and development	273	22.8%
Manufacturing	805	67.3%
Sales and marketing	37	3.1%
Finance	26	2.2%
General and administrative	55	4.6%
Total	**1,196**	**100.0%**

We recruit our employees primarily through online recruitment, campus recruitment, and headhunter referral. We conduct new employee training, as well as tailored training programs for employees in different positions in accordance with our internal policy and procedures.

We enter into employment agreements with our employees that cover matters such as compensation, benefits, intellectual property assignment clause and grounds for termination. The remuneration package of our employees primarily includes salary, bonus and share-based compensation, which are generally determined by their qualifications, industry experience, performance review, and seniority. We also enter into standard confidentiality and non-competition agreements with our employees.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

ESG Governance

ESG Governance Framework

We integrate the principles of sustainable development deeply into our corporate strategy and business operations. We have established a three-tier ESG governance framework — decision-making, management, and execution — to ensure that ESG responsibilities are clearly defined and effectively implemented across the organization.

- **Decision-making level**: Our Board of Directors, as the highest decision-making body for ESG matters, is responsible for determining our sustainability strategy and objectives, approving and overseeing ESG-related initiatives, and strengthening our Board's supervision of ESG performance to promote effective implementation.
- **Management level**: Led by our Strategic Committee, this level is responsible for providing direction on our ESG management and coordination. It reviews ESG reports, offers guidance on the formulation and execution of sustainability and ESG management plans, and ensures effective communication and engagement with stakeholders on ESG issues.
- **Executive level**: The ESG Working Group, formed by the heads of various functional departments and subsidiaries, supports management in executing daily ESG initiatives and integrating ESG practices into operational processes. This cross-departmental team ensures that ESG objectives are embedded in routine business execution.

Stakeholder Communication and ESG Risk Assessment and Identification

We attach great importance to maintaining open and transparent communication with our stakeholders. Our key internal and external stakeholders include [REDACTED], governmental and regulatory authorities, customers, suppliers and industry partners, employees, the community, the media and the public. Through multiple communication channels, we actively identify stakeholders' expectations and concerns, promptly address their feedback, and work collaboratively with relevant parties to create shared economic, social and environmental value.

In accordance with regulatory requirements, industry standards and stakeholder priorities, we identify, evaluate and categorize our key ESG issues to ensure that management resources are directed to the most material topics. The significant ESG issues identified by us are summarised below:

Category	Material Topics
Environmental	Addressing climate change; pollutant emissions; waste management; environmental compliance management; energy utilisation; hazardous chemicals management
Social	Product quality and safety; customer service; responsible marketing; access to healthcare; innovation; intellectual property management; scientific ethics; supply chain security; employee rights; occupational health and safety; employee training and development; data security and privacy protection; digital transformation
Governance	Corporate governance; business ethics and anti-corruption; anti-unfair competition; compliance operations; investor rights protection

Management Measures for ESG Issues

Climate Change

Identification and Assessment of Climate-related Risks and Opportunities

As the impacts of global climate change intensify, we face various climate-related challenges and opportunities inherent in the pharmaceutical industry. We integrate the assessment of climate risks and opportunities into our core management processes and have adopted a range of measures, including the promotion of clean production, energy-efficient equipment upgrades, digital plant construction, reduction in raw-material consumption, and utilisation of green power, to enhance our resilience and adaptability to climate change.

We evaluate physical and transition-related climate risks and seek to identify opportunities arising from the global transition to a low-carbon economy. Our conclusions on key climate-related risks and opportunities are summarised below.

Type	Sub-category	Description	Mitigation／Management Measures
Physical Risks	**Acute**	Pharmaceutical manufacturing sites may be exposed to flooding and extreme weather events, potentially damaging facilities, affecting raw materials and finished products, and causing operational disruptions.	Select new plant locations that avoid flood-prone areas. Incorporate waterproofing and flood-prevention features in facility design. Maintain contingency and emergency-materials reserves. Continuously monitor meteorological information and activate alerts for extreme weather events.
	Chronic	Long-term temperature increases and rising sea levels may affect operational efficiency and increase storage and transportation costs.	Use high-efficiency air-conditioning and cooling systems to monitor and optimise energy consumption. Enhance training on temperature control understanding for pharmaceutical storage and logistics personnel.
Transition Risks	**Policy Risk**	Stricter global carbon-emission regulations may increase capital expenditure on energy-saving and emission-reduction technologies.	Continuously monitor changes in environmental policies and emission-standards. Implement energy-saving and carbon-reduction projects in advance to meet new compliance requirements.
	Market Risk	Growing consumer environmental awareness increases demand for eco-friendly pharmaceuticals, prompting the need for cleaner production but also incurring higher costs.	Enhance cooperation with customers to ensure alignment with their sustainability requirements. Promote green procurement and enhance disclosure and traceability of environmental-management data.
	Technological Risk	Adoption of low-carbon production processes and clean energy technologies may require significant upfront investment.	Track technological developments within and outside the industry. Optimise energy structures and improve overall energy efficiency through intelligent and digital transformation.
	Reputational Risk	Weak ESG performance may negatively affect public perception, brand image, and investor confidence.	Proactively implement ESG governance initiatives and publish ESG reports. Conduct regular employee training on environmental protection to enhance corporate reputation.

Type	Sub-category	Description	Mitigation／Management Measures
Opportunities .	**Policy Support**	Government incentives such as tax benefits and subsidies for green production may help reduce operating costs.	Improve operational efficiency and process standards to strengthen our low-carbon competitiveness.
	Market Opportunities	Climate change may increase the incidence of certain diseases, expanding market demand for climate-resilient pharmaceuticals.	Monitor disease trends linked to climate change and explore new product-development opportunities through collaboration with upstream and downstream partners.
	Resource Utilization	Optimising processes and improving energy efficiency can reduce operating costs.	Continue to refine energy management and resource-efficiency programmes to improve environmental performance and reputation.

Environmental Protection

Environmental Compliance

We strictly comply with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Air Pollution Prevention and Control Law* (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law* (《中華人民共和國水污染防治法》) and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》). To ensure full regulatory compliance, we have established a comprehensive environmental management system that defines responsibilities and standardises environmental performance across all subsidiaries. Each subsidiary maintains detailed operational procedures within this overarching system, including the *Environmental Risk Assessment Report*, the *Environmental Protection Target Responsibility Framework*, and the *Environmental Management Regulations for Construction Projects*.

We identify and manage environmental risks based on applicable regulations, prepare environmental monitoring and management plans, and ensure lawful pollutant discharge and hazardous-waste disposal through well-defined control measures. The responsible department periodically reviews environmental risks within our facilities and implements targeted corrective actions to maintain compliant, controlled production. We also engage qualified third-party institutions to conduct regular environmental testing covering wastewater, exhaust gas, noise and surrounding environmental quality, ensuring that all discharges meet national standards.

To strengthen emergency preparedness, we have formulated internal policies such as the *Environmental Emergency Response Plan* and *Emergency Plan for Environmental Incidents in Manufacturing Plants* in accordance with the *Measures for the Administration of Emergency Response to Environmental Emergencies* (《突發環境事件應急管理辦法》). An Emergency Response Team for Environmental Incidents, led by our general manager, coordinates four specialised groups — emergency response, communication, evacuation and medical aid — to ensure a clear command structure.

We conduct periodic drills and training to reinforce our emergency response capabilities. Through environmental impact assessments, simultaneous design-construction-operation of pollution-control facilities, clean-production advancement, and continuous optimization of processes and equipment, we strengthen our compliance foundation and effectively mitigate environmental risks.

Energy Saving and Carbon Reduction

In accordance with the *Energy Law of the People's Republic of China* (《中華人民共和國能源法》) and other relevant laws, we continuously refine our energy-management policies to support green operations. Our main energy-saving and carbon-reduction initiatives include:

- **Material balance analysis**: We establish flow diagrams for key materials, energy and water usage, and perform systematic tracking and analysis to identify areas of inefficiency or resource loss.
- **Equipment upgrades**: At our Tongyuan Road site, we completed retrofits of exhaust hoods, centrifuge-tank covers, the instrument air-compressor system and purified-water system, achieving quantifiable energy savings.
- **Cooling equipment optimization**: We adjust cooling-unit operation based on production workload and schedule, improve coordination between chilled-water and cooling-tower systems, and phase out high-energy-consumption equipment.
- **Digital smart-plant management**: We advance the digitalization of production and building energy systems to achieve automated control, integrated data management and improved metering accuracy.

Water Resource Management

We comply with the *Water Law of the People's Republic of China* (《中華人民共和國水法》) and the *National Water Saving Action Plan* (《國家節水行動方案》) in all aspects of water usage. We have established standardised management procedures to eliminate leakage and seepage and to enhance water-use efficiency through technological improvement and process optimization. Our principal measures include:

- **Operational efficiency enhancement**: We have introduced water-recycling systems in selected workshops and recover steam condensate for circulating-water replenishment, significantly improving water reuse rates.
- **Cascading reuse**: Treated process water is reused for facility cleaning and landscaping to reduce fresh-water demand.

Packaging Material Management

We uphold the principle of green development in packaging. In compliance with the *Circular Economy Promotion Law of the People's Republic of China* (《中華人民共和國循環經濟促進法》), we collaborate with suppliers to explore environmentally friendly materials, optimize packaging specifications, and promote product-packaging transformation toward smaller, lighter, low-pollution and recyclable materials.

Emissions and Waste Management

We strictly comply with the *Integrated Wastewater Discharge Standard* (《污水綜合排放標準》) and the *Discharge standard of water pollutants for pharmaceutical industry — Bio-pharmaceutical category* (《生物工程類製藥工業水污染物排放標準》). Internally, we have established the *"Three Wastes" Management Framework*, *Exhaust-Gas Management Regulations*, *Hazardous-Waste Pollution-Prevention Measures*, and *Hazardous-Waste Management Procedures* to promote environmentally sound operations. Our target is to maintain a 100% compliance rate for

wastewater, exhaust-gas and waste-disposal requirements and to meet the Category III Area Noise Standard under the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348). Key management measures include:

- **Waste-Gas control**: Exhaust gases are pre-treated on rooftops and directed to regenerative thermal oxidisers (RTOs) for incineration. Halogen-containing emissions undergo resin-adsorption pre-treatment, while gases from hazardous-waste storage areas are treated by water scrubbing, alkaline neutralisation, and activated-carbon adsorption.
- **Wastewater management**: Industrial wastewater is treated through biochemical and reverse-osmosis processes before discharge to municipal plants. Part of the treated water is reused for irrigation. Domestic sewage is routed to the municipal network after internal treatment.
- **Waste segregation and disposal**: Non-hazardous waste is collected by third-party recycling companies, while hazardous waste is categorised, placed in dedicated on-site storage facilities, and subsequently transferred to licensed contractors for final disposal or reuse.

Environmental Indicators and Targets

Our principal environmental indicators[1] during the Track Record Period are summarized below.

Indicators	Unit	2023	2024	2025
Greenhouse Gas ("GHG") Emissions				
Scope 1 GHG emissions[2][5]	tCO_2e	840.85	1,309.55	760.03
Scope 2 GHG emissions[2]	tCO_2e	64,714.19	58,556.79[3]	57,564.70
Total GHG emissions (Scope 1 + Scope 2)	*tCO_2e*	*65,555.04*	*59,866.44*	*58,324.73*
GHG emission intensity (Scope 1 + Scope 2)	*tCO_2e/RMB million in revenue*	*55.58*	*46.68*	*47.66*
Scope 3 GHG emissions[4]	tCO_2e	33,755.28	30,089.46	32,116.81
Waste				
Hazardous waste[5]	tons	4,802.77	5,416.49	5.884.15
The Intensity of hazardous waste	tons/RMB million in revenue	4.07	4.22	4.81
Non-hazardous waste	tons	138.71	163.39	179.30
The intensity of non-hazardous waste	tons/RMB million in revenue	0.12	0.13	0.15
Energy Consumption				
Direct energy consumption				
Natural gas consumption	cubic meters	388,887.00	605,704.00	351,511.00
Indirect energy consumption				
Purchased electricity	10,000 kWh	7,721.64	7,600.24	7,924.05
Purchased heat	million kJ	187,978.92	184,017.26	141,088.10
Comprehensive energy consumption				
Comprehensive energy consumption	tons of standard coal	16,420.96	16,424.95	15,020.09
The intensity of comprehensive energy consumption	tons of standard coal/ RMB million in revenue	13.92	12.81	12.27
Exhaust Emissions				
Non-methane total hydrocarbon emissions	tons	0.79	4.53	2.35
Water Consumption				
Water consumption	tons	624,232.00	628,309.00	737,699.09
The intensity of water consumption	tons/RMB million in revenue	529.23	489.89	602.87
Wastewater Discharge				
Wastewater discharge	tons	185,632.69	227,900.90	211,708.20
The intensity of wastewater discharge	tons/RMB million in revenue	157.38	177.69	173.02

Notes:

(1) Environmental performance includes data on emissions and resource utilization in 2023, 2024 and 2025. Some data in 2023 and 2024 have been retrospectively adjusted due to the optimization of statistical scope and criteria.

(2) Scope 1 GHG emissions come from the direct combustion of natural gas. Scope 2 GHG emissions come from the consumption of purchased electricity and heat. The GHG emissions are calculated in accordance with *the Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industrial Enterprises (Trial)* issued by the National Development and Reform Commission, in which the electricity emission factor generated by purchased electricity is calculated using the national average electricity emission factor in the *"Announcement on Issuing Electricity Carbon Dioxide Emission Factors in 2022*" issued by the Ministry of Ecology and Environment in December 2024.

(3) In 2024, Taixing BrightGene, one of our subsidiaries, purchased 4,600 MWh of Renewable Energy Certificates (RECs) to offset Scope 2 GHG emissions generated by our Company.

(4) Scope 3 GHG emissions currently cover Category 1 (purchased goods and services) including external consulting and material and packaging procurement. We will gradually expand coverage to other categories to enhance disclosure completeness and transparency.

(5) The increase in Scope 1 emissions from 2023 to 2024 was mainly due to increased natural gas consumption associated with the commencement of operation of the regenerative thermal oxidizer at the Taixing manufacturing facility, which treats exhaust gases generated from production processes and requires additional fuel consumption. The increase in hazardous waste generated from 2023 to 2025 was generally attributable to the expansion of our production capacity.

Our environmental targets are summarized as below.

Item	Target
GHG emission	Intensity of GHG emissions is expected to decline by 3% by 2026 compared to 2024 level.
Energy use efficiency	Intensity of energy consumption is expected to decline from 2024 level.
Pollutant emission	100% compliance with standards for wastewater discharge, exhaust gas emissions and waste disposal.
Water consumption	Intensity of water consumption is expected to decline from 2024 level.

Our environmental targets were established by reference to our historical performance, expected business development and applicable industry practices. The principal assumptions and references are as follows:

- **Historical baseline and business plans:** Our targets are set against our 2024 baseline. We have taken into account our anticipated production capacity expansion. As our business continues to grow, our targets are primarily set on an intensity basis — covering GHG emission intensity, energy consumption intensity and water consumption intensity — together with a compliance-based target for pollutant emissions, which we consider more appropriate indicators of operational efficiency improvement during a period of business expansion.

- **Industry standards and peers:** Our target-setting process is also informed by recognized domestic and international frameworks, including ISO 14064, the GHG Protocol Corporate Accounting and Reporting Standard, and relevant PRC energy conservation and green manufacturing policies applicable to pharmaceutical manufacturers. We also reviewed the publicly disclosed environmental targets of selected industry peers with broadly comparable business profiles, including PRC-listed pharmaceutical companies with broadly similar production scale and product types, as part of our target-setting assessment.

- **Expected impact of operational measures:** We assessed the resource savings and emission reductions from our environmental protection measures as described under "— Environmental Protection" above, and are satisfied that the targets are operationally attainable.

The achievability of our environmental targets is supported by both the operational measures described under "— Environmental Protection" above and our internal control and monitoring arrangements. We have established internal procedures and monitoring indicators in relation to

energy use, water use, pollutant emissions and waste disposal, together with related data collection, reporting and verification procedures, and designated relevant departments to monitor implementation progress against internal targets and operating plans. Our EHS department is responsible for consolidating key environmental performance and compliance-related data and monitoring implementation progress. We also utilize a digitalized ESG information management system to support the collection and review of sustainability-related data. Under the system, relevant departments and operating units periodically submit qualitative and quantitative ESG-related information through a centralized platform, which is then consolidated and reviewed by designated personnel to support ESG reporting and related disclosures. Core environmental data are subject to periodic review and verification procedures to help ensure accuracy and traceability. Where deviations from planned progress or target pathways are identified, we implement corrective or improvement measures in a timely manner and update relevant implementation plans and management measures as appropriate. In addition, certain ESG-related performance indicators have been incorporated into the performance assessment of certain relevant departments and personnel. These measures support the ongoing monitoring and assessment of the achievability of our environmental targets.

Product Stewardship

R&D and Innovation

To strengthen the management of R&D projects, we have established frameworks such as the *R&D Project Management Policy* and the *Project Approval Implementation Specifications* to ensure both efficiency and quality throughout the life cycle of each R&D project. For details, see "— Research and Development" and "— Technology Platforms."

Quality Management

We comply with the *Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》), the *Pharmaceutical Administration Law* (《中華人民共和國藥品管理法》), and the *Good Manufacturing Practices for Pharmaceutical Products (2010 Revision)* (《藥品生產質量管理規範(2010年修訂)》), among other relevant standards. To ensure drug quality and safety, we have established internal documents such as the *Quality Risk Management Policy*, the *Post-Market Drug Risk Management Procedures*, and the *Drug Quality and Safety Risk Assessment Guideline*.

Our quality-management system aims to consistently manufacture products that meet their intended-use and registration requirements, strictly control product quality across the full life cycle, and safeguard patient safety. Key quality-assurance measures include:

- **Material quality management:** We implement a material management system encompassing supplier qualification, acceptance, inspection, and release to ensure all input materials comply with defined quality and registration standards.
- **Production process quality control**: We maintain a *Site Master File (SMF)* to standardise plant-wide quality management covering assurance, control, production, materials, facilities and equipment, and packaging systems. Continuous monitoring, batch inspection, and operational audits ensure manufacturing consistency.
- **Market release oversight**: No product is released before passing strict release audits. We verify the legitimacy of all purchasers, including qualification, business scope, and personnel identity, to ensure authenticity and compliance throughout the sales and distribution chain.

In addition, we conduct comprehensive quality self-inspection at least annually, covering quality systems, facilities and equipment, materials, production, packaging and labelling, and laboratory controls, to maintain continuous improvement and cGMP integrity. See also "— Quality Management."

Pharmacovigilance

To ensure post-marketing drug safety, we adhere to the *Drug Administration Law*, the *Implementing Regulations of the Drug Administration Law*, the *Measures for the Reporting and Monitoring of Adverse Drug Reactions*, and the *Good Pharmacovigilance Practice (GVP)* requirements. We have built a pharmacovigilance management system covering organisational structure, monitoring and reporting, risk identification and assessment, risk mitigation, and documentation control. Our dedicated pharmacovigilance team continuously enhances systems and procedures to guarantee timely detection, evaluation, and management of potential drug-safety risks. We regularly conduct internal training to improve employees' awareness and the professionalism of pharmacovigilance activities.

Protection of Subjects' Rights and Interests

In our clinical trials, we prioritize patient safety and privacy. All trials strictly adhere to the principles of Good Clinical Practice (GCP) under both domestic and international guidelines. We have established an independent ethics committee responsible for protocol review and continuous project oversight to ensure scientific validity and acceptable risk levels. Each participant is fully informed of the study's purpose and details prior to enrolment, provided with sufficient consideration time, and participates voluntarily with the right to withdraw at any stage. All personal data are anonymized using unique codes, with access limited to authorized research personnel. Any publicly disclosed study results exclude personally identifiable information, ensuring comprehensive protection of subjects' rights and privacy.

Compliant Marketing

All promotional activities comply with the *Consumer Rights and Interests Protection Law*, the *Advertising Law of the People's Republic of China*, and the *Administrative Measures for Medical Advertising*. We strictly prohibit false, misleading, or exaggerated promotions to ensure that all information provided to physicians and the public is truthful, accurate, and compliant with applicable laws and industry standards.

Supplier Management

We continuously enhance supplier management and have established policies such as the *Material Procurement Management Policy, Supplier Management Policy, Supplier Management System*, and *Engineering Equipment Bidding Management Policy*, to standardize and strengthen oversight throughout the supplier life cycle, including onboarding, evaluation, maintenance, and exit. These measures aim to build a stable and sustainable supply chain. Annual audits are conducted for key and critical suppliers, led by our quality department and jointly supported by the production, procurement, and engineering departments. The audits cover product quality, handling of non-conforming products, production operations, service performance, and implementation of corrective measures.

Anti-corruption

In strict compliance with the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the *Anti-Monopoly Law of the People's Republic of China* (《中華人民共和國反壟斷法》), and the *Several Provisions on Anti-Unfair Competition in the Pharmaceutical Industry* (《製藥行業反不正當競爭若干規定》), we have adopted internal policies such as the *Interim Provisions on the Prohibition of Commercial Bribery*, the *Code of Conduct*, and the *Employee Handbook* to regulate employee behavior regarding corruption, bribery, unfair competition, and conflicts of interest, thereby fostering a culture of integrity and transparency.

We have also established a formal reporting and complaint mechanism to ensure timely identification and handling of violations. Regular anti-bribery training is provided to all employees to enhance awareness of ethical conduct, and every employee is required to sign an Integrity

Commitment to reaffirm adherence to professional ethics and integrity. We strictly monitor the anti-corruption performance of our business partners, routinely review their compliance records, and organize supplier communication sessions and integrity training to promote ethical awareness.

Information Security and Privacy Protection

We place great emphasis on information security and privacy protection. We strictly comply with the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》) and other applicable data-protection regulations, and have established internal procedures such as the Information Security Incident Management Procedure to ensure the stable operation of our information systems and to effectively mitigate security risks. In addition, an ISO information security team has been established to oversee and implement data protection measures.

We actively manage data-security and privacy risks by identifying potential threats and responding to incidents according to defined risk levels. We continuously pursue information security management system certifications and expand the scope of data-security compliance coverage. Through regular training and awareness programs, we strengthen employees' understanding of information security and risk prevention.

Intellectual Property Protection

We strictly comply with the *Enterprise Intellectual Property Management Regulations* (《企業智慧財產權管理規範》) and attach great importance to cultivating scientific and research talent. In accordance with the *GB/T29490 Enterprise Intellectual Property Management System* (《GB/T29490 企業智慧財產權管理體系》), we have developed the *Intellectual Property Management Manual*, the *Intellectual Property Award Management Measures* and other related frameworks to clearly define intellectual property objectives, employee responsibilities, and system operations across all levels. Key initiatives include:

- **Intellectual property risk management:** We have established a closed-loop process covering real-time infringement reporting, rapid investigation, and full documentation. Through proactive market monitoring, risk assessment, and early-warning mechanisms, potential disputes are identified and mitigated in advance.
- **Dispute resolution:** In the event of intellectual property infringement, we pursue administrative or judicial actions to protect our rights. A professional team determines the optimal response strategy based on the principle of maximizing corporate interests.
- **Global compliance:** In our international operations, we prioritize compliance, maintain a deep understanding of relevant market regulations, identify risks proactively, and prevent and control cross-border intellectual property exposures through customs protection and related mechanisms. We ensure compliance and security in technology exports and strengthen ongoing supervision.
- **Specialized training program:** We arrange for intellectual property professionals to participate in distance learning and training programs to study the latest laws, case studies, and rights-protection strategies, thereby enhancing overall professional capability.
- **Collaboration with external organizations:** We engage external partners to deliver specialized training on the PatSnap Global Patent Database (智慧芽資料庫) for our R&D personnel, further enhancing the relevance and security of technological innovation.

Compliant Employment

We uphold a people-oriented employment philosophy of "putting people first and sharing achievements." We strictly comply with the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合

同法》), and the *Provisions on the Prohibition of the Use of Child Labor* (《禁止使用童工規定》). We respect the *Universal Declaration of Human Rights* and implement internal systems such as the *Employee Handbook* to ensure equal employment opportunities.

A diverse interview panel is established to eliminate discrimination based on gender, ethnicity, age, religion, marital status, disability, or cultural background. We explicitly prohibit child labor and forced labor and encourage employees to promptly report any discriminatory behavior, with all reports handled confidentially. We attach particular importance to protecting the rights and interests of female employees and are committed to creating a safe, healthy, and equitable workplace.

We have adopted a performance- and results-oriented remuneration and appraisal framework designed to link compensation with performance and project complexity. A standardized salary-management system is implemented to ensure fairness, transparency, and legal compliance. By developing position-specific assessment indicators, we enhance the accuracy and effectiveness of performance evaluation, promoting mutual growth of both employees and the Company.

We offer comprehensive benefits in full compliance with statutory requirements, including social insurance, the housing provident fund, and paid leave. In addition, we provide a range of supplementary benefits such as daily allowances, health programs, condolence payments, additional vacation days, holiday incentives, overtime meal subsidies, seniority-based rewards, and annual company trips, all contributing to employees' sense of belonging and overall well-being.

Employee Training and Development

We place great emphasis on employee growth and career development. We have implemented internal management systems such as the *Training and Development Management Measures* and the *Qualification Certification and Promotion Management Regulations* to establish a comprehensive training mechanism covering online and offline learning from new-employee orientation to on-the-job professional training. Key programs include:

- **Internal instructor development:** We have established an internal lecturer management committee comprising managers, business experts, and senior lecturers. Incentive programs include lecturer certification, multi-dimensional evaluations, teaching-hour allowances, and annual performance reviews to build a high-quality internal instructor team.
- **BrightGene Academy digital learning platform:** Leveraging the BrightGene Academy online learning system, we provide structured training covering professional, general, and new-hire programs. This platform supports systematic talent development and enables long-term succession planning.
- **Position-specific training:** We design professional courses tailored to specific job functions and skill requirements, enabling employees to enhance expertise, work efficiency, and innovation capacity.

In addition, we have established a standardized and process-based promotion system built on professional qualifications, forming a Six-Level Dual-Channel career development model that integrates both management and technical advancement.

Occupational Health and Safety

We strictly comply with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), and the *Regulations on Labor Security Supervision* (《勞動保障監察條例》). We have developed internal policies such as the *Occupational Health Management System*, the *Occupational Hazard Notification System*, the *Occupational Hazard*

Reporting System, the *Safety Objectives and Indicators Management System*, and the *Safety Production Responsibility System*, forming a standardized occupational health and safety management framework.

We identify workplace hazards, conduct risk assessments, and develop preventive and corrective measures. We also engage qualified third-party agencies to perform annual occupational-hazard assessments and implement rectification plans based on their findings. We strictly control hazardous chemicals through closed-loop management of classification, labeling, storage, and disposal. As of December 31, 2025, we have obtained *ISO 45001 Occupational Health and Safety Management System* certification.

To ensure employee health and safety, we provide annual physical examinations, supplementary medical insurance, and protective equipment. For employees exposed to occupational hazards, health examinations are conducted periodically, and results are confirmed with employee acknowledgment. We also conduct training on hazard identification, risk control, and traffic safety, and regularly organize drills for electric-shock and chemical-spill emergencies to strengthen preparedness. During the Track Record Period, there were no fatalities resulting from work-related incidents.

Social Welfare

We actively fulfill our social responsibilities and leverages our industry expertise under the mission "to provide patients with high-quality medicines, alleviate their financial burden, relieve their pain, bring hope to their lives, and contribute to society." We are committed to improving access to medicines through participation in China's centralized drug-procurement program, under which nine of our products have been included in the *National Drug Reimbursement List for Basic Medical Insurance, Work-Related Injury Insurance, and Maternity Insurance* (《基本醫療保險、工傷保險和生育保險藥品目錄》).

PROPERTIES

As of the Latest Practicable Date, we owned land use rights to 16 parcels of land in Jiangsu and Shandong Provinces, China, with a site area of approximately 159,600 square meters, on which we owned 24 buildings with an aggregate GFA of approximately 137,700 square meters. These properties are used as our existing and planned manufacturing facilities. See also "— Manufacturing — Manufacturing Facilities." We hold the valid title for these parcels of land and the relevant building ownership certificates.

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 (Chapter 32L of the Laws of Hong Kong), we need to comply with the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to part of our Group's interests in land or buildings, as we have property interest forms part of property activities that has a carrying amount of 1% or more of our total assets. The property valuation report produced by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), an independent property valuer, set out in Appendix III to this document sets forth details of our selected property interests thereon as of March 31, 2026. JLL valued these property interests at an amount of approximately RMB72.0 million as of March 31, 2026. Save for the property interests disclosed in Appendix III to this document, the property interests not valued that form part of property activities have carrying amount below 1% of our total assets and total carrying amount of property interests not valued that form part of property activities is less than 10% of the Group's total assets as at the valuation date. No single property interest of our non-property activities has a carrying amount of 15% or more of our total assets.

Leased Properties

As of the Latest Practicable Date, we leased three major properties in Jiangsu Province and Chongqing, primarily for our R&D and manufacturing facilities and office use, with an aggregate GFA of approximately 33,000 square meters. Our leases generally have a term ranging from two to ten years. We assess the renewal of each lease individually at expiration, taking into account our business needs and the availability of alternative spaces.

According to applicable PRC administrative regulations, both the lessor and the lessee are required to file the lease agreement with the relevant government authorities within 30 days of its execution. As of the Latest Practicable Date, four lease agreements for our leased properties in China, each with a GFA of over 1,000 square meters, which are used for R&D, manufacturing and office purposes, had not been registered with the relevant PRC authorities, primarily because the relevant lessors were not able to cooperate in completing the filing procedures in a timely manner. Although failure to register does not in itself invalidate the leases, we may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease at the discretion of the relevant authority, and accordingly the maximum aggregate potential penalty for these leased properties would be RMB40,000, in respect of which no provision has been made given the insignificant amount involved. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of leases.

See also "Risk Factors — Risks Relating to Our Operations — Our leased properties may be subject to non-compliances or challenges that could potentially affect our future use of them."

INSURANCE

We maintain insurance policies as required by the applicable laws and regulations as well as based on our assessment of our operational needs and industry practice. Our insurance policies include clinical trial liability insurance covering trial subjects' personal injuries caused by adverse events, and the life science product liability insurance covering personal injuries or property damages caused by product defects or accidents. In line with industry practice, we have elected not to maintain certain types of insurances, such as business interruption insurance or key man insurance. We believe that our existing insurance coverage is adequate for our current operations and consistent with the industry practice. See also "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."

We are also required to make contributions to the social insurance and housing provident funds in accordance with relevant PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with social insurance and housing provident fund contribution requirements. Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Regulations in Relation to Employment and Social Securities." As advised by our PRC Legal Advisor, the aforementioned regulatory update is unlikely to have a material adverse impact on our business operations or financial position, considering that we have not entered into any agreement with, nor have any of our employees undertaken to waive, social insurance entitlements.

AWARDS AND RECOGNITION

The table below sets forth a summary of the key awards and recognitions we have received.

Year	Award/Recognition	Granting Authority
2016 . . .	First Prize of the Scientific and Technological Award of Chinese Pharmaceutical Association	Chinese Pharmaceutical Association
2022 . . .	Guangxi Science and Technology Award — Second Prize (Natural Science Award)	People's Government of Guangxi Zhuang Autonomous Region
2022 . . .	Jiangsu Province Specialized and Sophisticated Small and Medium-sized Enterprise	Jiangsu Provincial Department of Industry and Information Technology
2022 . . .	Leading Enterprise in Suzhou — Advanced Technology Research Institute	Suzhou Municipal People's Government
2022 . . .	National-Recognized Enterprise Technology Center	Suzhou Municipal People's Government
2023 . . .	First Prize of Suzhou Excellent Patent Award	Suzhou Municipal People's Government
2023 . . .	China Excellent Patent Award	National Intellectual Property Office
2024 . . .	Top 100 Private Innovative Enterprises in Suzhou (Ranked No.54)	Suzhou Federation of Industry and Commerce/Suzhou Bureau of Science and Technology
2025 . . .	Golden Bull Listed Company Sci-Tech Innovation Award (Biopharmaceuticals)	China Securities Journal
2025 . . .	Key Laboratory of Medical Device Innovation and Precision Medicine of Jiangsu Province	Jiangsu Provincial Department of Science and Technology
2025 . . .	Pharma Awards 2025 — Leading Enterprise of Pharma Internationalization Awards	CPHI China

LICENSES, PERMITS AND APPROVALS

We are subject to regular inspections, examinations and audits, and are required to maintain or renew the necessary permits, licenses and certifications for our business. During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from the relevant government authorities that are material for our business operations. The table below sets forth the relevant details of the material licenses and permits we currently hold.

License/Permit/Certificate	Holder	Issuing Authority	Issue Date	Expiration Date
Chinese Mainland				
Drug Manufacturing License (藥品生產許可證)	The Company	Jiangsu Provincial Drug Administration	April 29, 2026	November 28, 2026
Drug Manufacturing License (藥品生產許可證)	BrightGene Pharmaceutical	Jiangsu Provincial Drug Administration	May 11, 2026	September 19, 2030
Drug Manufacturing License (藥品生產許可證)	Atmen Pharmaceutical	Jiangsu Provincial Drug Administration	April 7, 2025	November 28, 2026
Drug Manufacturing License (藥品生產許可證)	Chongqing Qiantai	Chongqing Municipal Drug Administration	January 14, 2026	March 19, 2030
Medical Device Production License (醫療器械生產許可證)	Atsenbo Pharmaceutical	Jiangsu Provincial Drug Administration	April 11, 2025	April 10, 2030

License/Permit/Certificate	Holder	Issuing Authority	Issue Date	Expiration Date
Fixed Pollution Source Discharge Permit (固定污染源排污登記證)	The Company	—	May 13, 2025	May 20, 2030
Fixed Pollution Source Discharge Permit (固定污染源排污登記證)	BrightGene Pharmaceutical	—	December 17, 2024	December 16, 2029
Fixed Pollution Source Discharge Permit (固定污染源排污登記證)	Chongqing Qiantai	—	July 29, 2025	July 28, 2030
Outside Chinese Mainland				
GMP certificate (Micafungin sodium)	BrightGene Pharmaceutical	Italy AIFA	October 31, 2025	April 29, 2028
GMP certificate (Micafungin sodium intermediate)	BrightGene Fine Chemical Co., Ltd.	Italy AIFA	October 31, 2025	April 25, 2028
GMP certificate (Ferric carboxymaltose)	BrightGene Fine Chemical Co., Ltd.	Thuringian State Authority for Consumer Protection (TLV), Germany	June 4, 2025	December 12, 2027
GMP certificate (Dalbavancin hydrochloride)	BrightGene Fine Chemical Co., Ltd.	The Free and Hanseatic City of Hamburg Authority for Justice and Consumer Protection (BJV), Germany	April 2, 2024	September 27, 2026
CEP certificate (Oseltamivir Phosphate API)	The Company	European Directorate for the Quality of Medicines & HealthCare	November 5, 2025	March 6, 2029
API Registration certificate (Caspofungin acetate API)	BrightGene Pharmaceutical	Ministry of Food and Drug Safety, Korea	March 6, 2019	N/A
API Registration certificate (Micafungin Sodium API)	BrightGene Pharmaceutical	Ministry of Food and Drug Safety, Korea	July 15, 2019	N/A

LEGAL PROCEEDINGS AND COMPLIANCE

We are committed to maintaining high standards of compliance with the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, none of us or our Directors were involved in any litigation, arbitration or administrative proceedings which could have a material and adverse impact on our business, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with the applicable laws and regulations relating to our business operations.

However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. Litigation or any other legal or administrative proceeding, regardless of the outcome, could result in substantial costs and diversion of our resources, including our management's time and attention. For a discussion of the potential impact of legal or administrative proceedings on us, see "Risk Factors — Risks Relating to Our Operations — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business."

DATA PRIVACY

We have been advised by our PRC Legal Advisor that, apart from handling personal information of our employees and the contact persons of our suppliers, customers and other business partners, the personal data we process in the course of conducting drug clinical trials and bioequivalence studies include: names, contact details, curricula vitae and other information of project team members (primarily our employees, personnel seconded by partnering CROs and investigators at clinical trial institutions), as well as subjects' identification codes, dates of birth, ages, ethnicities and other basic personal information, and their medical histories, laboratory test reports and other personal health and physiological information.

Pursuant to the ICH Guideline for Good Clinical Practice, we are required to carry out pharmacovigilance activities ("**PV**"), which involve sharing Suspected Unexpected Serious Adverse Reactions ("**SUSARs**") with our overseas partners for reporting to the relevant foreign regulatory authorities. The personal information of trial subjects contained in the SUSARs we provide to overseas recipients consists solely of anonymized subject identification codes and data associated with such codes, while the mapping table that links identification codes to the actual identities of trial subjects is retained confidentially by the clinical trial sites in the PRC and is not accessible to overseas recipients. Accordingly, such data do not constitute "sensitive personal information" under applicable PRC data protection laws and regulations, and the volume of outbound personal information we transfer does not reach the relevant reporting thresholds. Therefore, as advised by our PRC Legal Advisor, we are not required to apply to the Cyberspace Administration of China for a security assessment of such outbound data transfers.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with the applicable PRC cybersecurity and data protection laws and regulations.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. See "Risk Factors" for a discussion of the key risks and uncertainties we may face. We have established our risk management systems to identify, assess, monitor and mitigate the risks that may hinder our success including strategic risks, operational risks, financial risks and legal risks.

To monitor the ongoing implementation of risk management policies and corporate governance measures after the [REDACTED], we have adopted, or will continue to adopt, among other things, the following risk management measures.

- Our Board will continue to oversee and manage the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy; (ii) reviewing and approving annual working plan and annual report of our corporate risk management; (iii) monitoring significant risks associated with our business operation; and (iv) assessing our corporate risk in the light of our corporate risk tolerance.

- Our finance, legal, human resources and other relevant departments will be responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. To standardize risk management across our Group and establish a common level of transparency and performance, these departments will (i) gather information about risks related to their operations or functions; (ii) conduct risk assessments, which include identifying, prioritizing, measuring, and categorizing all key risks that could potentially impact their objectives; (iii) continuously monitor key risks related to their operations or functions; (iv) implement appropriate risk responses as needed; (v) develop and maintain mechanisms to facilitate the application of our risk management framework; and (vi) promptly report any material risks to relevant departments.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. We have engaged an independent internal control consultant, or the Internal Control Consultant, to perform certain agreed-upon procedures, or the Internal Control Review, in connection with the internal control of our Company and our major operating subsidiaries and to report factual findings on our Group's entity-level controls and internal controls of various processes, including financial reporting and disclosure controls, human resources and payroll

management, general controls of IT system, taxation management, contract management, and other procedures of our operations. The Internal Control Consultant performed reviews on the internal control systems of our Group. As of the Latest Practicable Date, there were no material outstanding issues relating to our Group's internal control.

During the Track Record Period, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement.

- We have implemented a range of measures and procedures covering various aspects of our business operations, including related party transactions, risk management, anti-bribery and anti-corruption, intellectual property protection, environmental protection, and occupational health and safety. For more information, see "— Intellectual Property" and "— Environmental, Social and Governance Matters." As part of our employee training program, we regularly provide training on these measures and procedures to our staff.

- Our Directors, who are responsible for overseeing the corporate governance of our Group, will, with assistance from our legal advisers, will periodically review our compliance status with all relevant laws and regulations following the [REDACTED].

- We have established an audit committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Group.

- We have engaged First Shanghai Capital Limited as our compliance adviser to provide advice to our Directors and management team until the end of the first fiscal year after the [REDACTED] regarding matters relating to the Listing Rules. Our compliance adviser is expected to ensure our use of funding complies with the section headed "Future Plans and [REDACTED]" in this document after the [REDACTED], as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.

Anti-bribery and Anti-corruption

We maintain strict anti-bribery and anti-corruption policies for our employees and business partners, which include:

- We strictly prohibit all forms of bribery, kickbacks, excessive gifts, entertainment, or any improper payments to gain undue business advantages. This prohibition applies across all business activities involving government officials, healthcare professionals, or any third parties;

- We require distributors to uphold integrity obligations under distribution agreements;

- All sales and marketing personnel must comply with promotional requirements, including restrictions on off-label promotion and limitations on industry-sponsored activities. Our agreements with third-party promoters include anti-bribery clauses prohibiting any inducements to healthcare professionals or regulatory agencies; and

- We maintain accurate books and records reflecting all transactions in reasonable detail. False invoices, unusual expenses, or misleading entries are strictly prohibited and must be promptly reported.