SUMMARY

This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [**REDACTED**].

There are risks associated with any investment. Some of the particular risks in investing in the [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to invest in the* [**REDACTED**]. *In particular, we are a biotech company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. Our Core Products, being azvudine, CL-197 and dosimertinib, are the products for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide, and we may continue to incur substantial costs and expenses in relation to R&D activities for the Core Products, and the Core Products may not be successfully developed or marketed. Your investment decision should be made in light of these considerations.*

OVERVIEW

We are an innovation- and R&D-driven biotech company established in 2012, dedicated to the development, manufacturing and commercialization of novel drugs for the treatment of viral infections, oncological and cardio-cerebrovascular diseases. We have built a comprehensive drug portfolio primarily consisting of seven drug candidates, including three Core Products. In particular, centered on azvudine (brand name: 捷倍安®), our Core Product, a conditionally approved drug for the treatment of HIV infection and COVID-19 in China, we are developing a monotherapy for the treatment of multiple myeloma, lymphoma and acute leukemia, a monotherapy for the treatment of immunological non-responders (INRs) in HIV-infected patients, as well as four combination therapies including azvudine + anti-PD-1 for the treatment of liver cancer and colorectal cancer, azvudine + dosimertinib for the treatment of non-small cell lung cancer (NSCLC), azvudine/CL-197 for the treatment of HIV and azvudine + CTX for the treatment of lymphoma. Our other six drug candidates include (i) CL-197, our Core Product, for the long-acting treatment of HIV infection; (ii) dosimertinib, our Core Product, for the treatment of NSCLC; (iii) ZSSW-136 for the treatment of malignant tumor; (iv) MTB-1806 for the treatment of acute ischemic stroke (AIS); (v) ZS-2004 for the treatment of solid tumors; and (vi) ZS-1004 for the treatment of solid tumors.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP, MARKET AND/OR GENERATE MEANINGFUL ECONOMIC VALUE FROM OUR PIPELINE PRODUCTS, INCLUDING OUR CORE PRODUCTS AZVUDINE, CL-197 AND DOSIMERTINIB.

OUR PRODUCT PORTFOLIO

Capitalizing on our strong R&D capability backed by a seasoned in-house R&D management team, we have established a comprehensive research and development platform, including a highly selective novel nucleoside broad-spectrum antitumor drug R&D platform, a TOPO1 inhibitor and XDC drug R&D platform, a drug target discovery and validation platform, and an innovative drug design and optimization platform. These platforms cover the entire drug development process, from early target screening to preclinical research, to clinical trials and subsequent optimization, providing strong technical support and systematic safeguards to accelerate the discovery and development of innovative drugs.

SUMMARY

The following table summarizes our product portfolio and the status of each drug or drug candidate as of the Latest Practicable Date:

Drug/Drug Candidate	Mono/combo therapy	Indication	Target	Modality	Route of Administration	Preclinical / Phase I / Phase II / Phase III/ Pivotal	Competent authority	Commercialization Rights	Next Milestone
Azvudine*	Monotherapy	HIV infection	RT-c/Vif	Small molecule	Oral	NMPA conditional approval[1]	NMPA	Global[3]	Obtain regular approval in the first half of 2027
	Monotherapy	COVID-19	RdRp		Oral	NMPA conditional approval[2]	NMPA	Global[3]	Obtain regular approval in the first half of 2026
	Monotherapy	Multiple myeloma[4]	DNA		Oral		NMPA	Global	Initiate Phase IIa clinical trial in 2026
	Monotherapy	Lymphoma[4]	DNA		Oral		NMPA	Global	Initiate Phase IIa clinical trial in 2026
	Monotherapy	Acute leukemia[4]	DNA		Oral		NMPA	Global	Initiate Phase IIa clinical trial in 2026
	Monotherapy	INRs in HIV-infected patients[4]	RT-c/Vif		Oral	[5]	NMPA	Global	Application for pivotal trial in the second half of 2026
							FDA		IND application for Phase I trial in 2027
	Azvudine + anti-PD-1 combination therapy	Liver cancer[4]	DNA-MDSC/ PD-1		Oral (anti-PD-1 agent by injection)	innovent	NMPA	Global	Commence Phase I trial in the second half of 2026
	Azvudine + anti-PD-1 combination therapy	Colorectal cancer[4]	DNA-MDSC/ PD-1		Oral (anti-PD-1 agent by injection)	innovent	NMPA	Global	Commence Phase I trial in the second half of 2026
	Azvudine + dosimertinib combination therapy	NSCLC[4]	DNA-MDSC/ EGFR		Oral		NMPA	Global	Complete stage 1 of Phase I trial in the second half of 2026, complete stage 2 of Phase II trial in 2028
	Azvudine + CTX combination therapy	Lymphoma[4]	DNA/ chemotherapy		Oral (CTX agent by injection)		NMPA	Global	IND application for Phase I trial in the second half of 2026
	All-oral long-acting composite tablet (Azvudine/CL-197) combination therapy	HIV infection	RT-c/Vif/RT-p		Oral		NMPA	Global	IND application in the second half of 2026
CL-197*	Monotherapy	HIV infection	RT-p	Small molecule	Oral		NMPA	Global	Complete Phase IIa trial in the second half of 2026
Dosimertinib*	Monotherapy	NSCLC	EGFR	Small molecule	Oral		NMPA	Global	Complete Phase II trial in the second half of 2026
ZSSW-136	Monotherapy	Malignant tumor, Irinotecan-resistant tumor	TOPO1	Small molecule	IV		NMPA	Global	IND application for Phase I trial in the second half of 2026
MTB-1806	Monotherapy	AIS	15-LOX-2	Small molecule	Oral		NMPA	Global	IND application for Phase I trial in the second half of 2026
ZS-2004	Monotherapy	Solid tumors	GRPR	RDC	IV		NMPA	Global	IND application for Phase I trial in 2027
ZS-1004	Monotherapy	Solid tumors	PSMA	ADC	IV		NMPA	Global	IND application for Phase I trial in 2027

: China, regulated by NMPA

: US, regulated by FDA

: Denotes anti-tumor drug candidates

* Core Product

15-LOX-2: 15 lipoxygenase subtype 2
AIS: acute ischemic stroke
CNS: central nervous system
CTX: cyclophosphamide
EGFR: epidermal growth factor receptor
MDSC: myeloid-derived suppressor cells
NSCLC: non-small cell lung cancer
PD-1: programmed cell death protein 1
RdRp: RNA-dependent RNA polymerase
RT: reverse transcriptase
TOPO1: topoisomerase I
Vif: virion infectivity factor
GRPR: gastrin-releasing peptide receptor
PSMA: prostate-specific membrane antigen
RDC: radionuclide drug conjugate
ADC: antibody-drug conjugate

Notes:

(1) We obtained a conditional approval* of azvudine for the treatment of HIV infection from the NMPA in July 2021. Pursuant to the approval, we could commence commercial sales of azvudine for the HIV indication in China and shall conduct a Phase III clinical trial, submit safety reports periodically and submit a Phase III clinical trial report within five years from the date of approval. We completed the last visit of the last patient for the Phase III clinical trial in June 2025, and completed the clinical study report ("**CSR**") in April 2026. We have submitted an application for a conversion from conditional approval to a regular approval in April 2026, and expect to obtain the regular approval in the first half of 2027. See "Business—Our Product Portfolio—Azvudine—Our Core Product—HIV Infection."

(2) We obtained a conditional approval from the NMPA for indication expansion of azvudine to the treatment of common COVID-19 in adults in July 2022. Pursuant to the approval, we could commence commercial sales of azvudine for the COVID-19 indication in China and shall (i) conduct pharmacodynamic studies of azvudine against mutant variants of the SARS-CoV-2 virus; (ii) actively progress ongoing clinical trials of azvudine and submit trial reports upon completion; (iii) continue to collect efficacy and safety clinical data post-approval; and (iv) submit the required materials within three years of approval. We have completed all of the required R&D work and submitted an application for a conversion of the conditional approval to a regular approval in July 2025, and we expect to obtain the regular approval in the first half of 2026.

(3) In April 2020, Henan Genuine entered into a framework agreement with Beijing Union to authorize Beijing Union to fully carry out registration applications, clinical trials and market collaboration matters of azvudine in Russia and Ukraine. Beijing Union will be the MAH and act as the manufacturer of azvudine in Russia and Ukraine after it obtains marketing approval in these countries. As of the Latest Practicable Date, Beijing Union had completed phase III clinical trial for azvudine as a COVID-19 treatment and was approved for marketing by the Russian MoH in February 2023, but we had not generated any income under this collaboration arrangement. In June 2020, Henan Genuine entered into a tripartite framework agreement with Beijing Union and an Independent Third Party agent to authorize Beijing Union to cooperate with the agent to carry out registrations, clinical applications and market collaboration matters of azvudine for treating COVID-19 in Brazil and the Union of South American Nations (UNASUR). In November 2021, Henan Genuine entered into a supplemental tripartite collaboration with Beijing Union and an affiliate of the agent, who is also an Independent Third Party. Pursuant to these agreements, after azvudine for the COVID-19 indication is approved for marketing in Brazil, Beijing Union shall act as the manufacturer for such product in Brazil and the affiliate shall be the MAH of azvudine in Brazil and have exclusive marketing rights in Brazil and the other regions of South America. See "Business—Our Technology Transfer Arrangements and Collaborations" for details.

(4) We obtained an IND approval from the NMPA for the clinical trials of azvudine in patients with advanced solid tumors, and initiated a Phase I clinical trial in January 2025, the results of which are expected to be used to support the design of future combination studies and full development of solid tumor indications. Such data will also be used to support the development for the treatment of blood cancer as the safety, tolerability and PK data are inherently applicable for later-phase clinical trials of other cancers. Such Phase I trial and CSR were completed in June 2025, based on which (i) we submitted the IND application for the Phase II clinical trial of azvudine monotherapy for the treatment of blood cancers, received acceptance notification in September 2025 and obtained the IND approval in December 2025, (ii) we submitted the IND application of azvudine + dosimertinib for the treatment of NSCLC in July 2025, received the IND approval in September 2025, and initiated a Phase I/IIa trial in November 2025, and (iii) we submitted an IND application of azvudine + anti-PD-1 for the treatment of liver cancer and colorectal cancer in December 2025, and obtained the IND approval in February 2026. We expect to submit an IND application for azvudine + CTX for the treatment of lymphoma in the second half of 2026 after collecting more pharmacology and safety data from the azvudine monotherapy for the treatment of blood cancers. In addition, leveraging the clinical results generated from the Phase I and Phase II clinical trials and the relevant IIT study, we plan to initiate a Phase II/III pivotal study for the treatment of INRs in HIV-infected patients in China in the second half of 2026, on the basis of the conditional approval of azvudine granted by the NMPA. Besides, we plan to submit an IND application for Phase I clinical trial of the same therapy in the US in 2027.

(5) As denoted by the dotted line, we have obtained the conditional approval for azvudine for the treatment of HIV infection from the NMPA in July 2021, and therefore we expect to skip the Phase I/II stage and directly initiate a Phase III/pivotal trial, subject to further communication with the NMPA.

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* Pursuant to the Drug Registration Regulation, with respect to full approval, provided that we manufacture the drug in compliance with the manufacturing process and quality standards approved by the NMPA, the commercialization of the drug is not subject to any additional regulatory conditions or impediments. By contrast, with respect to conditional approval, even though we have obtained the new drug registration certificate and commercialization activities are not limited during the valid period, we are still required to perform post-approval obligations in accordance with regulatory requirements. The specific matters relating to the studies that are required to be continued and the timelines for their completion shall be set out in the new drug registration certificate. We shall implement appropriate risk management measures and complete, within the proscribed time limits, the required clinical trials and other related studies, and submit the results by way of a supplemental application. Where we fail to complete the required studies within the prescribed time limits, or are unable to demonstrate that the benefits of the drug outweigh the risks, the NMPA shall handle the matter in accordance with laws and regulations, up to and including cancellation of the new drug registration certificate. Consequently, we would be unable to achieve commercialization of the new drug.

Azvudine—Our Core Product

HIV Infection

Azvudine, our Core Product, is a pyrimidine nucleoside drug with broad-spectrum antiviral activity. According to Frost & Sullivan, azvudine is a dual-targeted oral nucleoside drug for the treatment of HIV that acts as both an NRTI and a Vif co-protein inhibitor (NRTIs refer to nucleoside reverse transcriptase inhibitors, a class of first-line antiretroviral therapy (ART) drugs commonly used for the treatment of HIV infections, while Vif co-protein inhibitors protect a human enzyme with innate antiviral activity from the effects of HIV). Therefore, azvudine can be used in combination with antiretroviral drugs of different regimens as the backbone of multiple two- or three-arm ART regimens. It provides a treatment option with safety and antiviral activity observed in clinical studies to date for HIV-infected patients, including those who are intolerant to or have limited treatment options under existing antiretroviral regimens.

In our Phase II clinical trial, azvudine demonstrated antiviral activity that was broadly comparable to that observed for another NRTI, lamivudine at a lower dose level. Observations from preclinical and early clinical studies indicate certain resistance-related characteristics; however, further clinical evidence is required to characterize resistance outcomes. We also plan to develop the azvudine/CL-197 composite tablet which is an all-oral long-acting composite tablet regimen enabling less frequent dosing (once-weekly), subject to further clinical validation.

We obtained a conditional approval from the NMPA in July 2021 for azvudine for the treatment of HIV-1 infected patients, which constitute over 90% of all HIV-infected patients globally, over age 18 and with high viral load. Pursuant to such approval, we shall conduct a Phase III clinical trial, submit safety reports periodically and submit a Phase III clinical trial report within five years from the date of approval. We initiated the Phase III clinical trial in June 2022 and completed patient enrollment in August 2023, and we completed the last visit of the last patient for the Phase III clinical trial in June 2025. We completed the Phase III clinical trial and completed the CSR in April 2026. We have submitted an application for a conversion from conditional approval to a regular approval in April 2026, and expect to obtain the regular approval in the first half of 2027.

COVID-19

Azvudine is the first NMPA-approved oral direct-acting antiviral treatment for COVID-19 developed by a Chinese company, which was conditionally approved for the treatment of common COVID-19 in adults in July 2022. We submitted an application for a conversion of the conditional approval to a regular approval in July 2025 after completion of all of the required R&D work, and we expect to obtain the regular approval in the first half of 2026. As an RNA-dependent RNA polymerase (RdRp) inhibitor, azvudine can effectively suppress the replication of SARS-CoV-2, the virus causing COVID-19. As azvudine targets the RNA-dependent RNA polymerase (RdRp), a relatively conserved viral protein, it has the potential to maintain the activity against emerging variants, subject to further studies.

In the Phase III clinical trials in China and Russia, azvudine effectively reduced viral load in patients with a baseline viral load above a certain threshold and alleviated clinical symptoms for COVID-19 patients. As of the Latest Practicable Date, azvudine as a medication for COVID-19 indications had been widely commercialized in China with extensive geographic and hospital coverage.

The global COVID-19 drug market peaked in 2022 at approximately US$45.1 billion before substantially declining to US$8.9 billion in 2024. In China, the COVID-19 drug market declined significantly from RMB6.9 billion in 2023 to RMB1.6 billion in 2024. See "Industry Overview—Antiviral Drug Market—The COVID-19 Drug Market" for details. Therefore, the commercialization outlook of azvudine for COVID-19 remains subject to material uncertainty. See "Risk Factors—Risks Relating to the Manufacturing and Commercialization of Our Products—We may not be able to precisely predict the market size and opportunities for our drug candidates."

Mono- and Combination Anti-tumor Therapies

As a nucleoside-based drug with dual mechanisms, azvudine can exert its anti-tumor effects by inhibiting DNA synthesis in tumor cells and enhancing immunity through immunomodulation. Specifically, (i) azvudine can inhibit cancer cell proliferation by terminating DNA strand elongation and interfering with various enzymes involved in the synthesis of nucleic acids in cancer cells. The tumor inhibition effect of this mechanism correlates with the expression of deoxycytidine kinase (dCK); it is particularly pronounced in tumor tissues with high dCK-expressing tumors, such as lymphoma; and (ii) azvudine can also act as an immunomodulator, reducing the over-clustering of myeloid-derived suppressor cells (MDSCs) in tumor microenvironment and promoting the infiltration and expansion of $CD8^+$ T, $CD4^+$ T cells and natural killer (NK) cells, thereby exerting the tumor inhibition effect. The tumor inhibition effect of this mechanism correlates with the expression of MDSCs in tumor microenvironment, and such immunomodulatory effects have been observed in preclinical models of certain solid tumors characterized by higher MDSC infiltration, such as liver cancer, colorectal cancer and NSCLC. Through these two mechanisms, in our preclinical studies, azvudine demonstrated promising inhibitory activity against multiple cancer cell lines. Therefore, we are developing (i) azvudine + anti-PD-1 combination therapy for the treatment of liver and colorectal cancer, (ii) azvudine + dosimertinib combination therapy for NSCLC, and (iii) azvudine monotherapy and azvudine + CTX combination therapy for blood cancer.

Based on the results of these preclinical studies, we have established an Azvudine$^+$ Platform, a core proprietary R&D platform underpinned by azvudine's dual mechanisms: inhibition of DNA synthesis and viral replication (targeting high dCK-expressing tumor cells and a wide range of viral pathogens) and immunomodulatory effects (regulating tumor and antiviral immune microenvironments, lowering MDSC accumulation, boosting $CD4^+$ T cells, and modulating host anti-tumor and antiviral immune responses). This platform focuses on developing rational combination therapies across antiviral and oncology indications. For antiviral therapy, azvudine combined with other direct-acting antiviral agents delivers synergistic efficacy, reduces viral load, curbs viral rebound and ameliorates immune dysfunction. For oncology, the platform pairs azvudine with immune checkpoint inhibitors (e.g., anti-PD-1 antibodies), targeted small molecule drugs and conventional chemotherapeutics, which not only generates potent synergistic anti-tumor effects but also delays or even reverses acquired drug resistance of single-agent targeted or immunotherapies. Accordingly, our Azvudine$^+$ Platform addresses critical unmet medical needs for viral infectious diseases and cancers (including hematologic malignancies and solid tumors). Leveraging our in-house nucleoside drug R&D and clinical development capabilities, it enables efficient design and advancement of novel combination regimens, drives the expansion of azvudine from established antiviral use to broad oncology applications, and lays a solid foundation for our diversified innovative therapeutic pipeline.

We obtained an IND approval from the NMPA for the clinical trials of azvudine in patients with advanced solid tumors in September 2024, and initiated a Phase I clinical trial in January 2025, the results of which are expected to be used to support the design of future combination studies and full development of solid tumor indications. Such data is also expected to be used to support the development for the treatment of blood cancer as the safety, tolerability and PK data are inherently applicable for later-phase clinical trials of other cancers. Such Phase I trial and CSR were completed in June 2025, based on which (i) we submitted the IND application for the Phase II clinical trial of azvudine monotherapy for the treatment of blood cancers, received acceptance notification in September 2025 and obtained the IND approval in December 2025, (ii) we submitted the IND application of azvudine + dosimertinib for the treatment of NSCLC in July 2025, received the IND approval in September 2025, and initiated a Phase I/IIa trial in November 2025, and (iii) we submitted an IND application of azvudine + anti-PD-1 for the treatment of liver cancer and colorectal cancer in December 2025, and obtained the IND approval in February 2026. We expect to submit an IND application for azvudine + CTX for the treatment of lymphoma in the second half of 2026 after collecting more pharmacology and safety data from the azvudine monotherapy for the treatment of blood cancers. In addition, leveraging the clinical results generated from the Phase I and Phase II clinical trials and the relevant IIT study, we plan to initiate a Phase II/III pivotal study for the treatment of INRs in HIV-infected patients in China in the second half of 2026, on the basis of the conditional approval of azvudine granted by the NMPA. Besides, we plan to submit an IND application for Phase I clinical trial of the same therapy in the US in 2027.

Azvudine/CL-197 All-Oral Long-Acting Composite Tablet

As both CL-197 and azvudine demonstrated a half-life of 168 hours in animal studies, we also plan to develop an all-oral long-acting composite tablet as a once-weekly treatment of HIV infection. Currently, there is no report of all-oral, once-weekly administered combination drug in the world for the treatment of HIV infection. We plan to conduct research on this proprietary combination of azvudine and CL-197 after we confirm the safety of CL-197 through its Phase I clinical trial in China. As the dose escalation and tolerance studies have been completed in the Phase I clinical trial, we plan to conduct the efficacy studies of CL-197 administered once weekly to further verify the long-acting mechanism of CL-197 in humans, and initiate the clinical trial of the composite tablet in the second half of 2026 following the confirmation of long-acting mechanism in humans of CL-197.

CL-197—Our Core Product

CL-197 is a novel oral HIV drug candidate under development and it demonstrated a long half-life of over 168 hours in animal pharmacokinetic studies after oral administration, which supports once weekly dosing for CL-197. Compared to once-a-day dosing, once-a-week dosing is a more convenient drug regimen and may also improve medication compliance and thus improve clinical outcomes. We submitted an IND application for CL-197 in China in July 2022 and received the IND approval in October 2022. We commenced the Phase I clinical trial for CL-197 in August 2023, and completed such Phase I clinical trial in March 2025. We had received the ethical committee approval for the Phase IIa clinical trial in September 2025. CDE reviewed the Phase IIa trial design in October 2025 and expressed no objection. We commenced the Phase IIa trial in November 2025, and expect to complete the Phase IIa trial and initiate Phase IIb trial in 2026. As part of our global expansion strategy, we also plan to apply for IND for CL-197 in jurisdictions overseas.

Dosimertinib—Our Core Product

We are developing dosimertinib, a potent, selective and orally administered epidermal growth factor receptor (EGFR)-targeting drug candidate, for the treatment of advanced EGFR mutation-positive non-small cell lung cancer (NSCLC), one of the most prevalent types of lung cancer in China. Dosimertinib is designed to address the medical needs of advanced NSCLC patients harboring EGFR mutations that are resistant to previous generations of targeted drugs, which are usually mutation-specific and could become less effective toward newly emerged mutations. In terms of molecular structure, dosimertinib is a "deuterated" version of osimertinib, an FDA- and NMPA-approved treatment for NSCLC, where multiple hydrogen atoms are substituted with deuterium. Such substitution leads to positive impact on the pharmacokinetic, therapeutic and toxicological profile of select compounds. In our *in vitro* assays and animal studies, dosimertinib showed a reduction in the formation of certain toxic metabolites observed in preclinical studies. Preclinical pharmacokinetic studies also showed higher tissue exposure in lung and brain tissues. These observations are preliminary in nature, are derived from separate preclinical and early-stage clinical studies, and require further clinical validation.

We are conducting a Phase I/Phase II clinical trial in China to investigate the safety and efficacy of dosimertinib and expect to complete such trial in 2026. As of the Latest Practicable Date, we had completed the Phase I clinical trial, being the dose escalation stage of the Phase I/Phase II clinical trial, in May 2025, and the amendment of the Phase II clinical trial protocol was approved by the CDE in May 2025, with its first patient enrolled in June 2025. We expect to complete the Phase II trial in 2026.

As of the Latest Practicable Date, we were also developing several drug candidates for various other indications. See "Business—Our Product Portfolio" for further details.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) a competitive pipeline of innovative and long-acting drugs for the treatment of HIV infection, providing more convenient and effective treatment options for HIV patients worldwide; (ii) an oncology pipeline comprising multiple investigational drug candidates targeting areas with significant unmet medical needs; (iii) the first NMPA-approved oral antiviral treatment for COVID-19 developed by a Chinese company; (iv) integrated and comprehensive drug R&D platforms with proven capabilities in clinical development and experience in drug registration; (v) strong production, commercialization capabilities, and various sales channels; and (vi) a proven management team with good track record and support from professional investment institutions.

OUR STRATEGIES

We plan to implement the following strategies to achieve our mission: (i) quickly and efficiently advance the R&D, commercialization and post-approval regulatory processes of our Core Product, azvudine; (ii) rapidly advance our preclinical- and clinical-stage drug candidates through internal research; (iii) continue the expansion of our R&D platforms and expand our product pipeline; (iv) enhance our commercialization capability to support future commercial activities; and (v) strengthen talent team building through internal cultivation and recruitment.

COMPETITIVE LANDSCAPE

The development and commercialization of innovative drugs are highly competitive. While we believe our innovative platforms provide us with competitive advantages, we face competition from global and China-based pharmaceutical and biotech companies that market or will market products in competition with our drug and drug candidates. We compete primarily based on our R&D capabilities, the clinical performance of our drug and drug candidates, our commercialization capabilities and brand recognition. For further details of our major competitors, see "Business—Our Product Portfolio" and "Industry Overview."

RESEARCH AND DEVELOPMENT

We are a biotech company primarily engaged in pharmaceutical R&D activities. We believe that R&D is crucial to our business growth and the success of our operations. We have established various integrated R&D platforms to empower our drug development from drug discovery to clinical trials, including (i) a highly selective novel nucleoside broad-spectrum anti-tumor drug R&D platform, (ii) a TOPO1 inhibitor and XDC drug R&D platform especially targeting tumors that are resistant to current ADC, (iii) a drug target discovery and validation platform, and (iv) an innovative drug design and optimization platform. Our internal R&D work is led by senior scientists, including Dr. Du and Dr. Dang Qun, with extensive experience in the pharmaceutical industry and, particularly, expertise in drug discovery. Our R&D activities have laid a solid foundation for future manufacturing and commercialization of our drug candidates. See "Business—Research and Development" for details.

With our independent R&D capability and exclusive R&D rights over azvudine during the Track Record Period regardless of our collaboration with Fosun Pharmaceutical Industrial and except for certain R&D responsibilities (namely registration, clinical trials, and clinical application) we granted to Beijing Union and third party agents in certain regions, we have effectively and independently realized the advancements of clinical stages of azvudine for different indications, especially expanded indications including blood cancers and solid tumors, which are evidenced by positive feedbacks from the NMPA. See "Business—Our Product Portfolio" and "Business—Our Technology Transfer Arrangements and Collaborations" for details.

In the past, the development of our Core Products and other drug candidates encountered certain delays, primarily due to inherent clinical trial uncertainties such as patient enrollment, protocol amendments and data review. As advised by Frost & Sullivan, such delays are commonly observed in the pharmaceutical industry and are in line with industry norms. We do not consider that such historical delays have had any adverse impact on our business operations or financial position, as our core R&D direction remains unchanged and unaffected by such prolonged development process, we keep making solid progress in drug R&D and registration, and we hold adequate cash for sustainable operation. However, we cannot assure you that our future R&D activities will not experience delays and, if any similar delays take place in the future, we cannot guarantee that our business operation and financial position will not be materially adversely impacted. See "Risk Factors—Risks Relating to the Development of Our Pipeline Products—A majority of our drug portfolio are currently in preclinical or clinical development, including our Core Products. If we are unable to successfully complete development, or experience significant delays in doing so, our business, financial condition, results of operations and prospects will be materially harmed."

TECHNOLOGY TRANSFER ARRANGEMENTS AND COLLABORATIONS

Zhengzhou University Technology Transfer Agreement

Azvudine, our Core Product, was initially developed by Zhengzhou University, a public university in China. Beijing Xingyu Zhongke Investment Co., Ltd. (北京興宇中科投資有限公司) ("Xingyu Zhongke"), a company controlled by Mr. Wang, entered into a technology transfer agreement with Zhengzhou University on December 16, 2011 to acquire intellectual property rights in azvudine. After Henan Genuine, our PRC operating company, was established in 2012, Xingyu Zhongke and Zhengzhou University further entered into a supplemental agreement on May 14, 2013 to transfer the relevant intellectual property rights to Henan Genuine. As a result, Zhengzhou University transferred all rights in the core patent of azvudine and any existing and future NMPA approvals of azvudine to Henan Genuine, who became the sole right holder of such rights. Henan Genuine will be responsible for subsequent clinical trials and registration work and bears all costs associated with such registrational and R&D work. On September 1, 2023, Henan Genuine obtained a written confirmation from Zhengzhou University to clarify the parties' original intentions for the technology transfer agreement, which confirmed that, among others, the transfer of the intellectual property rights therein was complete and unqualified. Based on the above, our PRC IP Advisors, are of the view that the transfer of the intellectual property rights of azvudine to Henan Genuine was complete as of the date of the Azvudine Novation Agreement.

Meitaibao Technology Transfer Agreement

We acquired 11 patents relating to CL-197, dosimertinib and MTB-1806 from Henan Meitaibao Biological Pharmaceutical Co., Ltd.* (河南美泰寶生物製藥有限公司) ("Meitaibao"), which is a biotech company primarily focused on drug R&D founded by Dr. Du in July 2015, who served as its chief executive officer until December 2018. Henan Genuine entered into a technology transfer agreement with Meitaibao on January 18, 2019 to acquire from Meitaibao the 11 patents to develop and commercialize the corresponding drug candidates.

Beijing Union Collaboration Agreements in Russia and Ukraine

Henan Genuine entered into a framework agreement (as supplemented on May 10, 2022) with Beijing Union on April 18, 2020 to authorize Beijing Union to fully carry out registration applications, clinical trials and market collaborations of azvudine in Russia and Ukraine. Beijing Union will be the MAH and act as the manufacturer of azvudine in Russia and Ukraine after it obtains marketing approval in these countries. As of the Latest Practicable Date, Beijing Union had completed the Phase III clinical trial of azvudine for treating COVID-19 in Russia and obtained marketing approval from the Ministry of Health of the Russian Federation in February 2023, but we had not generated any income from Beijing Union under this collaboration arrangement. As of the same date, Beijing Union had not initiated any clinical trials in Ukraine.

Tripartite Collaboration Agreements in Brazil and Other Regions of South America

Henan Genuine entered into a tripartite framework agreement with Beijing Union and an Independent Third Party agent on June 5, 2020 to authorize Beijing Union to cooperate with the agent to carry out registration applications, clinical trials and market collaboration matters of azvudine for treating COVID-19 in Brazil and the Union of South American Nations (UNASUR). In light of the parties' collaboration, Henan Genuine entered into a supplemental tripartite collaboration agreement (as further supplemented on January 28, 2022 and May 8, 2022) with Beijing Union and an affiliate of the agent, who is also an Independent Third Party, on November 8, 2021. Pursuant to these agreements, after azvudine for the COVID-19 indication is approved for marketing in Brazil, Beijing Union shall act as the manufacturer for such product in Brazil and the affiliate shall be the MAH of azvudine in Brazil and have exclusive marketing rights in Brazil and the other regions of South America. As of the Latest Practicable Date, the Phase III clinical trial of azvudine for treating COVID-19 in Brazil was completed.

Fosun Pharma Strategic Cooperation Agreement

On July 25, 2022, Henan Genuine entered into a strategic cooperation agreement (as supplemented on August 26, 2022, the "Fosun Pharma Agreements") with Fosun Pharmaceutical Industrial, a subsidiary of Fosun Pharma, with respect to, among other things, Fosun Pharmaceutical Industrial's exclusive commercialization of azvudine. The cooperation regions include Chinese Mainland (excluding Hong Kong, Macau and Taiwan, "Region I"), and the parties could, but were yet to, as of the Latest Practicable Date, enter into a binding agreement regarding the rest of world excluding Russia, Ukraine, Brazil and other South American countries and regions ("Region II").

Under the Fosun Pharma Agreements, Fosun Pharmaceutical Industrial shall pay Henan Genuine an upfront payment of RMB100 million for the exclusive sales license fee and the remaining license fee of RMB399.5 million, both of which have been settled. The parties have also shared the profit generated from the sales of azvudine by Fosun Pharmaceutical Industrial as stipulated in the Fosun Pharma Agreements. The Fosun Pharma Agreements shall be effective from the date of execution by the parties and do not have a fixed term.

On September 26, 2024, Henan Genuine entered into the Amendment Agreement with Fosun Pharmaceutical Industrial outlining an updated arrangement for the collaboration in Region I (the "Updated Commercialization Arrangement"). As of the Latest Practicable Date, we had completed the handover of all tier-1 distributors and the transfer of inventories. At the same time, we have taken proactive steps to drive our own commercialization efforts and prepare for the future launches, including but not limited to the establishment and expansion of our in-house commercialization team, exploration of on-line and off-line sales channels and engagement of CSOs.

Technology Transfer Agreement with the National Institute of Pathogen Biology, Chinese Academy of Medical Sciences

On January 1, 2023, we entered into a Technology Transfer Agreement with the National Institute of Pathogen Biology, Chinese Academy of Medical Sciences related to the transfer of technical secret of a broad-spectrum viral fusion inhibitor for purpose of developing a drug for the treatment of HIV infection, for which Henan Genuine has submitted two patent applications. We shall be entitled to the exclusive right to develop based on the technical secret and to manufacture and commercialize products. We shall also be entitled to the patent application and ownership relating to the technical secret globally, and the inventors shall be our designated personnel. The total consideration shall be RMB100 million, to be settled in five installments as follows: (i) RMB20 million within ten business days after the execution of the Technology Transfer Agreement, (ii) RMB20 million within ten business days after the IND approval for the first drug candidate under this project is obtained, (iii) RMB20 million within ten business days after the completion of the first Phase I clinical trial under this project, (iv) RMB20 million within ten business days after the completion of the first Phase II clinical trial under this project, and (v) RMB20 million within ten business days after the first NDA under this project is obtained.

As of the Latest Practicable Date, we were still in the early research stage of the potential drug candidates. We settled the first RMB20 million in 2023 according to the payment schedule as provided, and the remaining RMB80 million will be payable upon the achievement of milestones.

Collaboration Agreement with Innovent

We have entered into a collaboration agreement with Innovent Biologics (Suzhou) Co., Ltd. ("**Innovent**"), a principal subsidiary of Innovent Biologics, Inc., a company listed on the Main Board of the Stock Exchange (01801.HK), under which Innovent has agreed to supply for nil consideration a sufficient quantity of SINTILIMAB, a commercialized anti-PD-1 agent owned by Innovent, for the Phase I clinical trial of azvudine + anti-PD-1 combination therapy for the treatment of cancer indications in accordance with the research and development plan approved by both parties. As the sponsor, we shall be responsible for conducting the clinical trial, while Innovent shall be granted access to the Phase I clinical data.

MANUFACTURING

We have established our own manufacturing facilities with leading equipments and technologies and has an annual capacity of approximately three billion tablets. Our production capacity not only meets our current market demand but also leaves plenty of room for future market expansion. In terms of quality control, our production base strictly follows the relevant regulations and standards of the NMPA and successfully passed the Good Manufacturing Practice (GMP) compliance inspection in May 2022. Our production and supply capabilities have laid a solid foundation for the our long-term stable growth. See "Business—Inhouse Manufacturing" for details. To supplement our manufacturing capacity as appropriate, we engaged several leading drug manufacturers in China, all of which are Independent Third Parties, to manufacture azvudine during the Track Record Period. We believe we will be able to manufacture sufficient quantities of products to meet market demand primarily through our in-house manufacturing capacity, supplemented by contracted manufacturing when necessary. See "Business—Contract Manufacturing" for details.

COMMERCIALIZATION

We adopt an on-line/off-line omni-channel and strategic promotion model to promote and distribute our products, including azvudine, our commercialized product, and our other drug candidates to be launched in the future. We will quickly establish an integrated commercialization system through marketing, acquiring market access, digital promotion, medical value exploration, direct sales, recruitment of distributors and commercial excellence to facilitate sales of our products, and continue to deliver accurate and up-to-date academic information with clinical value to the market to increase the market awareness of our products. As of December 31, 2025, we had successfully entered into agreements with 81 offline distributors which largely ensured the accessibility of our products in the market and with ten online distributors in China to jointly establish an online sales channel for azvudine and have successfully achieved sales.

As of the Latest Practicable Date, we had an in-house commercialization team consisting of 28 members, and we expect to expand the team to around 100 personnel in the next two years. We have adopted a comprehensive set of management systems to ensure the effectiveness and efficiency of our sales and marketing activities and the compliance status of our own staff as well as our online/offline distributors and CSOs.

We are fully aware that product price management is not only a reflection of corporate profitability, but also a concentrated expression of social responsibility and patient well-being. The price of our commercialized product is most favorable among competing products to ensure that patients are able to have access to high-quality medical service at a reasonable price. Our Core Product, azvudine, was officially included in the NRDL in April 2023, and remained in NRDL after the successful renewal negotiation in 2024, maintaining both its reimbursement scope and pricing. Going forward, we will continue to uphold our "patient-centric" value and optimize our product price management strategy.

Leveraging our successful commercialization experience in China, we expect to enter into overseas market through collaborations with leading medical institutions in the future. See "Business—Commercialization" for further details.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 24 patents and 39 patent applications pending in China. As of the same date, we also had 27 patents and 31 patent applications pending overseas. We are the sole owner of all patents relating to our Core Products. In addition, as of the Latest Practicable Date, we held 45 trademarks in Chinese Mainland and Hong Kong. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights that are threatened or pending, in which we may be a claimant or a respondent. See "Business—Intellectual Property" for further details.

SUPPLIERS

Our suppliers primarily include raw material suppliers, research and development service providers and owners of our rental properties. For each of the years ended December 31, 2024 and 2025, our purchases from our five largest suppliers were RMB84.5 million and RMB23.9 million, respectively, accounting for approximately 40.1% and 17.7%, respectively, of our total purchases for the respective years. In the same years, purchases from our largest supplier were RMB40.8 million and RMB6.7 million, respectively, accounting for approximately 19.4% and 4.9%, respectively, of our total purchases for the respective years. All of our five largest suppliers during the Track Record Period were Independent Third Parties. See "Business—Suppliers" for further details.

CUSTOMERS

During the Track Record Period, we primarily sold azvudine to Fosun Pharmaceutical Industrial in accordance with the Fosun Pharma Agreements after azvudine was approved for marketing in China. In 2024, our five largest customers accounted for 99.6% of our total revenue, among which Fosun Pharmaceutical Industrial accounted for 99.2% with an aggregate sales of RMB235.9 million. Our revenue generated in 2025 was primarily attributable to our sales to distributors. In 2025, our sales to our five largest customers was RMB18.0 million, accounting for 72.5% of our revenue; while our sales to our largest customer, being Fosun Pharmaceutical Industrial, was RMB7.5 million, accounting for 30.4% of our revenue in such year. We do not expect further revenue to be recognized from the Fosun Pharma Agreements in the future. See "Business—Customers" for further details.

We have engaged distributors for our sales of azvudine after the termination of Fosun Pharma Agreements. As of December 31, 2025, we had entered into distribution agreements with 81 offline distributors and ten online distributors and developed and implemented comprehensive policies to manage our distributors.

CONTROLLING SHAREHOLDERS

Immediately upon completion of the [**REDACTED**] and the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any options which may be granted under the [**REDACTED**] Share Scheme, Tri-Link Ventures and Creative Summit will, in aggregate, directly hold approximately [**REDACTED**] of the issued share capital of our Company. Tri-Link Ventures is a company wholly owned by Mr. Wang. Creative Summit is wholly owned by Tri-Link Ventures, which in turn is wholly owned by Mr. Wang, the trustee of the RSU Scheme Trust who holds shares in Creative Summit through Tri-Link Ventures for the purpose of the RSU Scheme. The RSU Scheme Trust is a fixed trust established by our Company as the settlor and is intended for the benefit of eligible persons entitled to receive a grant of the RSUs in accordance with the terms of the RSU Scheme. Accordingly, Mr. Wang, Tri-Link Ventures and Creative Summit constitute a group of our Controlling Shareholders under the Listing Rules.

[**REDACTED**] INVESTMENTS

We have concluded two rounds of [**REDACTED**] Investments and raised a total of approximately RMB712.77 million. Our broad and diverse base of [**REDACTED**] Investors includes Efung Capital, the Sophisticated Investor who has made meaningful investment in our Company in accordance with Chapter 2.3 of the Guide. Immediately upon completion of the [**REDACTED**] and the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**] or any options which may be granted under the [**REDACTED**] Share Scheme, Efung Capital (together with Hainan Efung) will be interested in approximately [**REDACTED**] of the total issued share capital of our Company. For details, see "History, Reorganization and Corporate Structure—[**REDACTED**] Investments."

SUMMARY OF KEY FINANCIAL INFORMATION

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Revenue	**237,868**	**24,802**
Cost of sales	(73,013)	(75,646)
Gross profit/(loss)	164,855	(50,844)
Other income and gains	146,671	6,244
Administrative expenses	(86,399)	(82,699)
Research and development expenses	(150,687)	(135,894)
Selling and distribution expenses	(16,766)	(22,215)
Impairment losses on financial assets, net	(4,608)	(2,216)
Other expenses	(7,362)	(6,086)
Finance costs	(6,223)	(6,272)
Fair value losses on convertible redeemable preferred shares	(79,523)	(9,657)
Loss before tax	**(40,042)**	**(309,639)**
Income tax expense	–	–
Loss and total comprehensive loss for the year	**(40,042)**	**(309,639)**

The following table sets forth a breakdown of revenue for the years indicated:

	Year ended December 31,	
	2024	2025
	(RMB in thousands)	
License and collaboration revenue		
Sales-based royalties	224,533	7,528
Research and development services	9,803	–
Manufacturing of products	1,586	–
	235,922	7,528
Sales of goods	1,946	17,274
Total	**237,868**	**24,802**

Our revenue decreased significantly from RMB237.9 million in 2024 to RMB24.8 million in 2025, primarily due to the subsiding of COVID-19, evolving consumer behavior and clinical practice pattern in the post-pandemic environment, as well as the termination of collaboration with Fosun Pharmaceutical Industrial.

See "Financial Information—Discussion of Certain Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income" for details.

Summary of Consolidated Statements of Financial Position

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Total non-current assets	251,279	256,825
Total current assets	321,431	69,906
Total current liabilities	407,116	1,415,621
Net current liabilities	85,685	1,345,715
Total assets less current liabilities	165,594	(1,088,890)
Total non-current liabilities	1,264,132	315,985
Net liabilities	1,098,538	1,404,875

Our net current liabilities of RMB85.7 million as of December 31, 2024 were mainly attributable to significant trade and other payables and interest-bearing loans as of the year end. Our net current liabilities increased significantly to RMB1,345.7 million as of December 31, 2025, mainly attributable to the convertible redeemable preferred shares of RMB1,069.0 million recorded as of the same date. Such balance was classified as non-current liabilities as of December 31, 2024 and was transferred to current liabilities as of December 31, 2025. In view of our net current liabilities, our Directors have been undertaking certain measures to improve our liquidity and financial position. For example, we maintained long term and strong business relationship with major banks to get their continuing support. As of December 31, 2025, we had current interest-bearing loans of RMB136.7 million, which were due for repayment within the next twelve months. Our Directors are of the opinion that the Group will be able to either renew or obtain new banking facilities or facilities from a state-owned enterprise to supplement liquidity of the Group at adequate level during the next twelve months. Up to the Latest Practicable Date, we had reached agreements with the relevant banks to roll over certain loans that were reaching maturity.

As of December 31 2024 and 2025, we had net liabilities of RMB1,098.5 million and RMB1,404.9 million, respectively, mainly reflecting our convertible redeemable preferred shares and net loss incurred over the years. We expect our net liabilities position will be significantly improved when the convertible redeemable preferred shares re-designate from financial liabilities to equity, arising from the conversion of the preferred shares into ordinary shares upon the [**REDACTED**].

Summary Consolidated Statements of Cash Flows

	Year ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Net cash flows used in operating activities	(10,610)	(151,712)
Net cash flows generated from/(used in) investing activities	20,228	(17,645)
Net cash flows (used in)/generated from financing activities	(110,684)	55,048
Net decrease in cash and cash equivalents	(101,066)	(114,309)
Cash and cash equivalents at beginning of the year	239,395	138,465
Effects of foreign exchange rate changes, net	136	(5)
Cash and cash equivalents at the end of the year	**138,465**	**24,151**

In 2024 and 2025, we had net cash outflows from operating activities of RMB10.6 million and RMB151.7 million, respectively, which was mainly attributable to its operating costs used in operations such as inventory purchases, research and development and other operating expenses.

In view of our net operating cash outflows during the Track Record Period and our net current liabilities position as of the end of each year during the Track Record Period, we have taken and will continue to take the following measures to improve our cash flow position:

(i) ***monitoring our research and development expenditure.*** Each year, our management reviews and approves our annual budget planning taking into account among other things, the financial position of our Group, market conditions, availability of financing and status of our research and development. Our finance department also holds internal meetings monthly to discuss necessary steps to improve our Group's cashflow and liquidity position. We will continue to closely monitor our liquidity position to ensure sufficient working capital is maintained;

(ii) ***maintaining strict procurement and inventory management processes.*** We implement a strict inventory management system to monitor the procurement and storage of inventories. We will continue to prudently evaluate demands for the key raw materials to form reasonable procurement plans and negotiate with better payment terms with our suppliers; and

(iii) ***explore diversified financing channels and maintaining stable relationships with banks.*** We will maintain stable relationships with banks so as to timely obtain bank borrowings on acceptable terms once necessary. In addition, we are actively discussing with banks to increase the proportion of long-term loans in our financing structure to better match the life cycle of our capital expenditures and continuing to explore diversified financing channels to enhance financial flexibility and stability.

Our primary uses of cash relate to the research and development of our drug candidates, our payment for the construction and purchase of equipment of our manufacturing facilities and general operating costs. During the Track Record Period, we primarily funded our working capital requirement through cash from operations and loans. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash from operations, bank balances, bank borrowings and [**REDACTED**] from the [**REDACTED**].

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and cash equivalents, internally generated funds, available financing facilities and the estimated [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, selling and distribution expenses and administrative expenses, for at least the next 12 months from the date of this document.

Our cash burn rate refers to our average monthly (i) net cash used in operating activities; (ii) capital expenditures; (iii) additions of intangible assets; and (iv) payment for leases. Assuming that our cash burn rate going forward will be two times the cash burn rate level during the Track Record Period and taking into account the available financing facilities and expected repayments, we estimate that we will have sufficient cash to maintain our financial viability for approximately 10 months from December 31, 2025, or, if we take into account the estimated [**REDACTED**] from the [**REDACTED**], at least 30 months from December 31, 2025. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

See "Financial Information—Liquidity and Capital Resources" for details.

KEY FINANCIAL RATIO

	As of/for the years ended December 31,	
	2024	**2025**
Current ratio (times)[(1)]	0.8	0.05
Quick ratio (times)[(2)]	0.5	0.04

Notes:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories and divided by current liabilities as of the same date.

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

RECENT DEVELOPMENTS

We obtained the IND approval of azvudine + anti-PD-1 for the treatment of liver cancer and colorectal cancer in February 2026. Since the end of the Track Record Period, we have continuously developed our business and continued to advance our pipeline. See "Business — Our Product Portfolio" for details.

[**REDACTED**]

All statistics in the following table are based on the assumptions that [**REDACTED**] Shares are issued following the completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised.

	Based on an [REDACTED] of [REDACTED] per [REDACTED]	**Based on an [REDACTED] of [REDACTED] per [REDACTED]**
[**REDACTED**] of our Shares	[**REDACTED**]	[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of the Company as of December 31, 2025 per Share[(1)]	[**REDACTED**]	[**REDACTED**]

Note:

(1) The unaudited [**REDACTED**] adjusted consolidated net tangible asset per Share as of December 31, 2025 is calculated after making the adjustments referred to in Appendix II. For further details, please see "Appendix II—Unaudited [**REDACTED**] Financial Information" in this document.

DIVIDENDS

We are a holding company incorporated in the Cayman Islands. We never declared or paid any dividends during the Track Record Period. We do not currently have a formal dividend policy nor pre-determined dividend payout ratio. We currently expect to retain all future earnings for use in the operation and expansion of our business and do not anticipate to pay cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position. See "Financial Information—Dividends" for further details.

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [**REDACTED**] of approximately [**REDACTED**] after deducting the [**REDACTED**] and expenses payable by us in the [**REDACTED**], assuming no exercise of the [**REDACTED**] and assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the [**REDACTED**] of the indicative [**REDACTED**] range of [**REDACTED**] to [**REDACTED**] per [**REDACTED**] set out in this document. We intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes:

- Approximately [**REDACTED**] (representing [**REDACTED**] of the [**REDACTED**]) will be allocated to the R&D and commercialization of azvudine, our Core Product, for the treatment of HIV infection, certain blood cancers and solid tumors;

- Approximately [**REDACTED**] (representing [**REDACTED**] of the [**REDACTED**]) will be allocated to the R&D of CL-197, our Core Product and the combination therapy of azvudine/CL-197, for the treatment of HIV infection;

- Approximately [**REDACTED**] million (representing [**REDACTED**] of the [**REDACTED**]) will be allocated to the R&D of dosimertinib, our Core Product, for the treatment of NSCLC;

- Approximately [**REDACTED**] (representing [**REDACTED**] of the [**REDACTED**]) will be used for the R&D of combination therapies of azvudine + anti-PD-1 for the treatment of liver cancer and colorectal cancer, and azvudine + CTX for the treatment of lymphoma;

- Approximately [**REDACTED**] (representing [**REDACTED**] of the [**REDACTED**]) will be used to develop our XDC drug platform;

- Approximately [**REDACTED**] (representing [**REDACTED**] of the [**REDACTED**]) will be used for the R&D of our other drug candidates;

- Approximately [**REDACTED**] (representing [**REDACTED**] of the [**REDACTED**]) will be used for the further construction of our R&D platform; and

- Approximately [**REDACTED**] (representing [**REDACTED**] of the [**REDACTED**]) will be used for working capital and other general corporate purposes.

See "Future Plans and [**REDACTED**]" for further details.

RISK FACTORS

We believe there are certain risks and uncertainties involved in investing in our Shares, some of which are beyond our control. These risks are set out in "Risk Factors" in this document. Some of the major risks we face include: (i) a majority of our drug portfolio are currently in preclinical or clinical development, including our Core Products. If we are unable to successfully complete development, or experience significant delays in doing so, our business, financial condition, results of operations and prospects will be materially harmed; (ii) our conditional approvals of azvudine from the NMPA may be revoked if we fail to complete the post-approval requirements; (iii) the manufacture of pharmaceutical products is a complex process which requires significant expertise and capital investment. If we encounter problems in utilizing or expanding our manufacturing capabilities in the future and/or our CMOs encounter problems manufacturing our future products, our business could suffer; (iv) we have limited experience in launching and marketing drug candidates. If we are unable to strengthen marketing and sales capabilities or enter into agreements with third parties to market and sell our drug candidates, our revenue could be adversely affected; and (v) we had net liabilities during the Track Record Period. See "Risk Factors" for details.

[**REDACTED**] EXPENSES

Based on the [**REDACTED**] of [**REDACTED**] per Share, the total estimated [**REDACTED**] expenses in relation to the [**REDACTED**] are [**REDACTED**] ([**REDACTED**]), assuming the [**REDACTED**] is not exercised, which constitute approximately [**REDACTED**] of the [**REDACTED**]. Our total [**REDACTED**] consist of (i) [**REDACTED**] expenses and fees (including [**REDACTED**], Stock Exchange trading fee, SFC and AFRC transaction levy) of [**REDACTED**] ([**REDACTED**]); and (ii) [**REDACTED**] expenses of [**REDACTED**] ([**REDACTED**]), including (a) fees payable to the Sole Sponsor, legal advisors and Reporting Accountants of [**REDACTED**] ([**REDACTED**]) and (b) other fees and expenses of [**REDACTED**] ([**REDACTED**]). In 2024 and 2025, [**REDACTED**] expenses charged to profit or loss were [**REDACTED**] and [**REDACTED**], respectively; and [**REDACTED**] expenses capitalized as deferred [**REDACTED**] expenses were [**REDACTED**] and [**REDACTED**] in the corresponding years and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, since December 31, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and up to the date of this document, there has been no material adverse change in our financial or trading position and there is no event which would materially affect the information shown in our consolidated financial information included in the Accountants' Report in Appendix I to this document.

CSRC FILING REQUIREMENT

We have submitted a filing to the CSRC for application of the [**REDACTED**] on [●], and obtained the Record-Filing Notice from the CSRC in respect of the [**REDACTED**] on [●].