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Application Proof of

Intellective Biologics (Suzhou) Co., Ltd.
智享生物(蘇州)股份有限公司

(the "**Company**")

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

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Intellective Biologics (Suzhou) Co., Ltd.
智享生物(蘇州)股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB0.10 per H Share**
[REDACTED]	**:**	**[REDACTED]**

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator, **[REDACTED], [REDACTED], [REDACTED]**

東興證券(香港)
DONGXING SECURITIES (HONG KONG)

Overall Coordinator, **[REDACTED], [REDACTED]** ***and*** **[REDACTED]**

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[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to **[REDACTED]** *in the* **[REDACTED]**. *There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OUR VISION

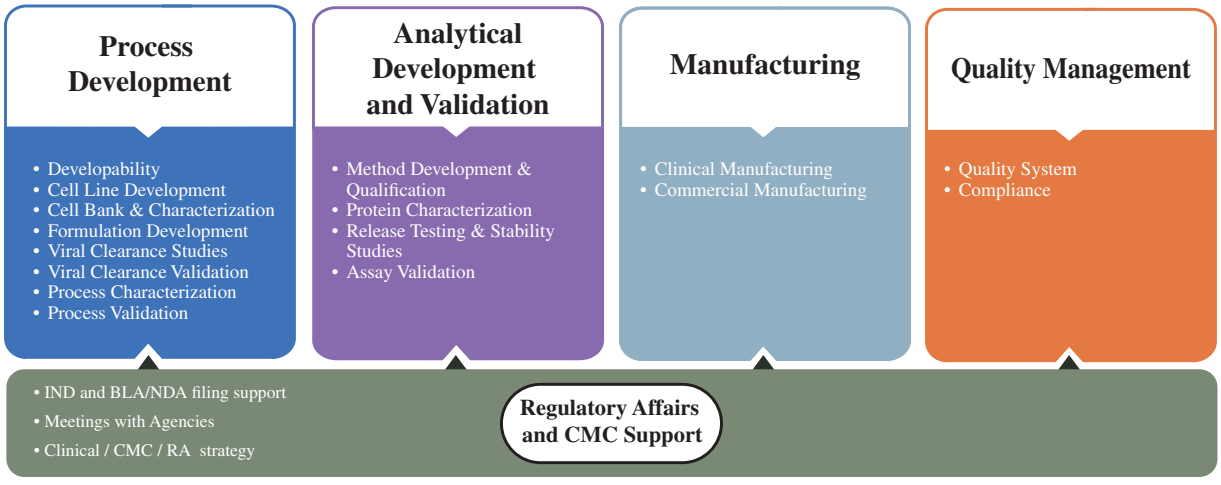
Our vision is to become the most trusted partner of global biopharmaceutical companies.

We pursue this vision by delivering manufacturing-driven, customer-focused and outcome-oriented contract development and manufacturing organization (CDMO) services that support biologics from pipeline to patient.

OVERVIEW

We are a leading manufacturing-driven full-lifecycle CDMO in China dedicated to biologics. We ranked second among biologics CDMO companies in China by the number of commercial products in 2025 and third among biologics CDMOs in the field of therapeutic antibody drugs in China by revenue in 2025, according to Frost & Sullivan. We mainly provide CDMO solutions for biologics development and manufacturing, namely (i) process development, (ii) analytical development and validation, (iii) good manufacturing practice (GMP) manufacturing, (iv) quality management, and (v) regulatory affairs and chemistry, manufacturing and controls (CMC) support.

"One Molecule, One Journey"



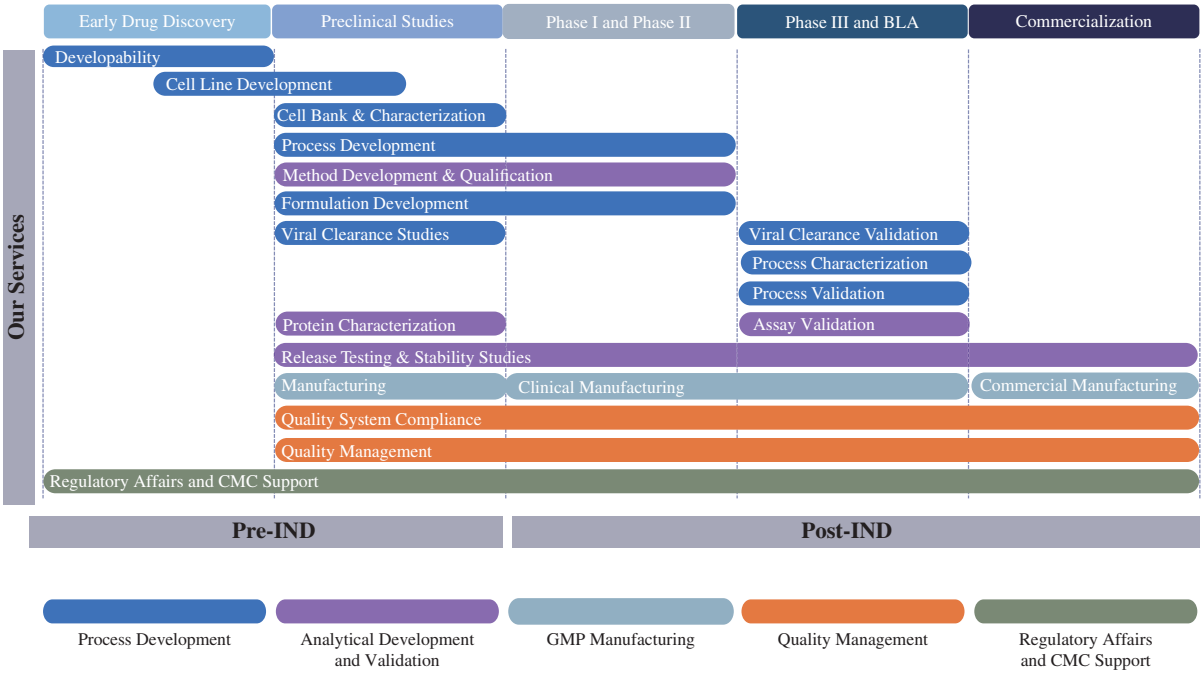
Under our "One Molecule, One Journey" business model, we engage with customers from early-stage development to commercial manufacturing, accompanying molecules from pipeline to patient. Continued involvement across successive development stages allows us to deepen customer relationships and build molecule-specific knowledge, GMP execution experience and quality understanding, which become increasingly embedded in the manufacturing setup supporting regulatory filing, approval and post-launch ramp-up. By converting early technical

engagement into late-stage development and commercial manufacturing opportunities, this model strengthens our role in customers' projects and expands the scope of services we provide over the molecule lifecycle. During the Track Record Period, our top 30 customers recorded a 100% repeat order rate.

We believe we are among a distinct group of biologics CDMOs in China that incorporated customers' future commercial-scale production and post-launch ramp-up needs into our capacity planning, facility design and construction, supported by dedicated large-scale investments. Instead of adding capacity incrementally for individual projects, we centered our manufacturing strategy on our Changshu site, where multiple identical 6,000 L stainless-steel bioreactor lines operate under a unified quality system to support commercial supply and subsequent capacity expansion that meets global requirements. According to Frost & Sullivan, this same-site, same-quality-system configuration provides a meaningful regulatory advantage for post-approval ramp-up, allowing approved products to scale more efficiently and predictably within the existing manufacturing and quality system. For details of our systematic design and planning of commercial manufacturing lines, please refer to "Business — Facilities — Our Cycle-Matched Approach to Commercial Manufacturing Line Design."

BUSINESS MODEL

We provide one-stop CDMO solutions for biologics development and manufacturing. As of the Latest Practicable Date, we had provided CDMO services for over 400 projects, covering over 200 drugs and drug candidates, for over 200 customers, including three approved drugs and more than 20 late-stage development projects. The following diagram depicts our CDMO service offerings. See "Business — Biologics CDMO Services" for further details.



Our service offerings primarily include:

- ***Process Development.*** Process development is a critical step in translating a drug candidate into a commercial product. A robust process supports the manufacturing of high-quality products and the satisfaction of regulatory requirements. We provide integrated process development services covering early developability assessment, cell line development, cell banking, upstream and downstream process development, formulation development, viral clearance studies, process characterization and process validation.

- ***Analytical Development and Validation.*** Analytical development and validation provide the testing foundation for biologics development and manufacturing. Reliable analytical methods are necessary to measure product quality, monitor process performance, support batch release and generate regulatory data. We provide integrated analytical services covering method development and qualification, protein characterization, assay validation, release testing and stability studies.

- ***GMP Manufacturing.*** Manufacturing is the stage where the developed process is executed under GMP conditions to produce biologics drug substance or drug product for clinical studies and commercial supply. Reliable manufacturing capabilities are essential to ensure batch consistency, supply continuity, regulatory compliance and timely project delivery. We provide clinical and commercial manufacturing services supported by integrated process, analytical, quality and technical teams.

- ***Quality Management.*** Quality management provides the systematic foundation for GMP-compliant biologics development and manufacturing. A robust quality system ensures that facilities, materials, utilities, processes, testing, documentation and personnel operate under controlled and traceable conditions. We maintain an integrated quality management system to support clinical supply, commercial manufacturing and regulatory inspections.

- ***Regulatory Affairs and CMC Support.*** Regulatory affairs and CMC support connect technical development, manufacturing execution and regulatory submissions. For biologics projects, a coherent CMC package is essential to demonstrate process understanding and control, product quality, manufacturing consistency and facility readiness. We provide regulatory and CMC support throughout the development and registration stages.

For details of our service offerings, see "Business — Biologics CDMO Services."

We have built an extensive project portfolio and stable customer relationships with customers from major markets such as China, the United States and Europe. Major projects refer to projects with a contract value of not less than RMB8.0 million. We had 18, 16 and 14 major projects in 2023, 2024 and 2025, respectively. The total revenue contribution of the major projects was RMB354.5 million, RMB335.2 million and RMB352.8 million in 2023, 2024 and 2025, respectively, representing 77.9%, 77.4% and 72.9% of our total revenue for the respective years.

In 2023, 2024 and 2025, we had a total of 122, 163 and 197 projects, respectively. The following table sets forth the number of projects for the years indicated, categorized by stage as pre-Investigational New Drug (Pre-IND) and post-Investigational New Drug (Post-IND).

	Year Ended December 31,		
Stage	**2023**	**2024**	**2025**
Pre-IND	53	74	87
Post-IND			
Early-stage development (Phase I & II)	58	72	84
Late-stage development (Phase III & BLA)	10	16	24
Commercialization	1	1	2
Total	**122**	**163**	**197**

FEE MODEL

During the Track Record Period, our revenue was generated predominantly under a fee-for-service (FFS) model. We typically collect payments pursuant to a pre-agreed schedule set out in the relevant contract or work order, which allocates fees to specific discovery, development, or manufacturing activities within the agreed scope. Pricing is determined with reference to the scope of services, anticipated costs and expenses, and the estimated time required to deliver the work, among other considerations. Our fee-for-service contracts and work orders generally include a detailed timetable that outlines task specifics, expected completion time for each step, and the corresponding payment terms. Revenue is recognized at a point in time when control of the distinct services or products transfers to the customer, namely upon acceptance of the deliverable units by the customers.

For more details, see "Business — Business Model — Fee Model."

FACILITIES

Our operations in China are supported by a multi-site manufacturing network across the Suzhou corridor, comprising campuses in Suzhou Industrial Park, Suzhou Changshu, and Suzhou Xiangcheng, with an aggregate GMP facility footprint of approximately 121,265 square meters. Collectively, the network offers a total installed capacity of approximately 113,400 L. We intend to further expand our manufacturing and process development capabilities at our Changshu site to support the expected increase in late-stage clinical and commercial biologics projects.

For more details, see "Business — Facilities."

MARKET OPPORTUNITIES AND COMPETITION

The global biologics CDMO market expanded from US$18.0 billion in 2020 to US$31.8 billion in 2025, representing a CAGR of 12.1% over the period. Looking ahead, the market is projected to reach US$63.5 billion by 2030, implying a CAGR of 14.8% from 2025 to 2030, and further grow to US$105.8 billion by 2035, corresponding to a CAGR of 10.8% from 2030 to 2035. In China, the biologics CDMO market expanded from RMB9.1 billion in 2020 to RMB32.5 billion in 2025, representing a CAGR of 28.9% over the period. Looking ahead, the market is projected to reach RMB88.0 billion by 2030, implying a CAGR of 22.1% from 2025 to 2030, and further grow to RMB216.4 billion by 2035, corresponding to a CAGR of 19.7% from 2030 to 2035.

The biologics CDMO industry is highly competitive and concentrated, with over 25 industry players in China and more than 150 globally. Among domestic biologics CDMOs primarily focused on antibody drugs, we ranked third in China's biologics CDMO market in terms of revenue in 2025. In addition, from a manufacturing-end service capability perspective, as of the Latest Practicable Date, we stood as one of only two biologics CDMO companies in China that are providing commercial supply for three or more approved products. We also ranked third among China-based biologics CDMO companies in terms of manufacturing capacity, with a total capacity of 113,400 L, and first among China-based biologics CDMO companies in terms of single-facility manufacturing capacity, with a total of 85,300 L installed at our Suzhou, Changshu facility as of the Latest Practicable Date.

For more details, see "Industry Overview" and "Business — Competition."

OUR STRENGTHS

We believe the following strengths differentiate us from our competitors: (i) One Molecule, One Journey: manufacturing-driven lifecycle engagement and disciplined long-term infrastructure investment; (ii) advanced technology platforms and deep R&D expertise creating development-to-manufacturing advantage; (iii) development-to-commercial execution with global regulatory and supply chain support; (iv) proven track record with sustainable growth driven by commercialization conversion, diverse client base and deep project portfolio; and (v) experienced, globally oriented and stable management team, supported by dedicated employees.

OUR STRATEGIES

We plan to pursue the following significant opportunities and execute our key strategies accordingly: (i) enhance One Molecule, One Journey capabilities and expand capacity in line with project progression; (ii) strengthen domestic market presence by capturing molecule progression in China's biologics CDMO industry; (iii) penetrate into international markets by leveraging regulatory-ready development and manufacturing capabilities; and (iv) continue to attract, retain and incentivize talent to support our fast and sustained development.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We were loss-making during the Track Record Period. The following table sets forth certain financial data for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
	(in RMB'000, except for percentages)		
Revenue	454,983	433,304	484,170
Gross loss	(33,828)	(65,270)	(18,682)
Gross loss margin	(7.4)%	(15.1)%	(3.9)%
Loss and total comprehensive expense for the year	(167,812)	(290,879)	(215,458)
Net cash from (used in) operating activities	11,139	(112,003)	74,739

The following table sets forth a breakdown of our operating expenses, both in absolute amounts and as a percentage of total operating expenses for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Operating expenses						
Research and development expenses	57,859	44.9	37,102	43.2	45,915	47.4
Administrative expenses	57,439	44.6	36,086	42.0	35,462	36.6
Selling expenses	13,534	10.5	12,689	14.8	15,476	16.0
Total	**128,832**	**100.0**	**85,877**	**100.0**	**96,853**	**100.0**

Our financial results during the Track Record Period primarily reflected a CDMO in its investment, capacity-expansion and portfolio-expansion phase, rather than a mature commercial-stage business. In particular, our historical losses were significantly affected by the front-loaded nature of building a commercial-scale biologics CDMO platform, under which facility construction, equipment installation, production-line qualification, quality-system buildout, personnel deployment and regulatory-readiness work must be completed before a substantial portion of the related commercial manufacturing revenue can be realized. During the Track Record Period, we recorded loss and total comprehensive expense for the year of RMB167.8 million, RMB290.9 million and RMB215.5 million in 2023, 2024 and 2025, respectively. The trajectory of our losses and the subsequent improvement in 2025 were affected by a combination of factors, some of which represent one-time or diminishing headwinds, while others reflect the structural features of biologics CDMO operations.

In summary, our historical losses reflect a combination of factors. First, our front-loaded investment in single-facility, standardized and commercial-scale infrastructure created a significant fixed-cost base before commercial manufacturing revenue reached scale. Second, structural factors inherent to a CDMO in the late-stage project accumulation phase, namely the regulatory capacity constraints associated with a late-stage development heavy project mix, affected production scheduling, capacity deployment and fixed-cost absorption. Third, factors that have already demonstrated measurable improvement, in particular the increased gross profit contribution from commercial manufacturing in 2025, as our commercialization projects increased from one in 2024 to two in 2025, served as the main driver of the RMB46.6 million narrowing of our gross loss from 2024 to 2025. Fourth, factors that are expected to be resolved upon **[REDACTED]**, principally the finance costs associated with redemption liabilities.

Our Directors believe that we have a clear path to profitability as our project portfolio continues to expand and mature. Our path to profitability is supported by: (i) the expected increase in commercialization projects, which generally involve larger order volumes, greater demand visibility, more recurring production schedules and more favorable gross margins than pre-commercial projects; (ii) our late-stage development project portfolio, which supports customer stickiness and provides a source of potential future commercialization opportunities under our One Molecule, One Journey model; (iii) the transition of late-stage projects into commercial supply, which is expected to support more efficient capacity deployment and reduce the relative impact of process performance qualification, BLA filing and inspection-related scheduling constraints; and (iv) the operating leverage embedded in our single-facility, standardized and cycle-matched commercial manufacturing infrastructure, which is expected to improve fixed-cost efficiency as commercial manufacturing scales.

For details, see "Business — Business Sustainability and Path to Profitability."

RESEARCH AND DEVELOPMENT

Research and development is at the heart of our innovation. In 2023, 2024 and 2025, our R&D expenses totaled RMB57.9 million, RMB37.1 million and RMB45.9 million, respectively, representing 12.7%, 8.6% and 9.5% of our revenue for each year respectively. We have developed a platform-based technology system that supports process efficiency, scalability, robustness and cost-effectiveness across biologics projects. We have established six proprietary technology platforms spanning cell line development, culture media development, process scale-up, bioconjugation, complex antibody purification and high-concentration formulation development, forming an integrated technical ecosystem from molecular design through commercial manufacturing. This level of technological self-sufficiency differentiates us from competitors and underpins our ability to drive continuous improvement in yield, quality and cost savings for our customers.

For more details, see "Business — Research and Development."

CUSTOMERS AND SUPPLIERS

We have a diversified customer base, including large biopharmaceutical companies, as well as diverse biotech companies. We are devoted to enhancing the breadth of our services and providing customized services to target customers with differentiated requirements. Revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB224.4 million, RMB175.4 million and RMB269.9 million in 2023, 2024 and 2025, respectively, representing 49.3%, 40.5% and 55.8% of our total revenue for the respective years. Revenue generated from our largest customer in each year during the Track Record Period amounted to RMB114.9 million, RMB43.0 million and RMB162.4 million in 2023, 2024 and 2025, respectively, representing 25.3%, 9.9% and 33.6% of our total revenue for the respective years. For more details, see "Business — Our Customers."

During the Track Record Period, our suppliers primarily consisted of providers of raw materials, equipment and engineering services. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB286.7 million, RMB439.2 million and RMB162.4 million in 2023, 2024 and 2025, respectively, representing 33.6%, 48.8% and 32.5% of our total purchases for the respective years. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB99.0 million, RMB197.8 million and RMB58.3 million in 2023, 2024 and 2025, respectively, representing 11.6%, 22.0% and 11.7% of our total purchases for the respective years. For more details, see "Business — Our Suppliers."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRSs.

Summary of Our Consolidated Statements of Profit or Loss

The following table sets forth selected items of our consolidated statements of profit or loss in absolute amounts and as a percentage of our total revenue for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	454,983	100.0	433,304	100.0	484,170	100.0
Cost of sales	(488,811)	(107.4)	(498,574)	(115.1)	(502,852)	(103.9)
Gross loss	**(33,828)**	**(7.4)**	**(65,270)**	**(15.1)**	**(18,682)**	**(3.9)**
Other income	12,908	2.8	8,803	2.0	19,558	4.0
Other gains and losses, net	2,708	0.6	2,921	0.7	30,169	6.2
Research and development expenses	(57,859)	(12.7)	(37,102)	(8.6)	(45,915)	(9.5)
Administrative expenses	(57,439)	(12.6)	(36,086)	(8.3)	(35,462)	(7.3)
Selling expenses	(13,534)	(3.0)	(12,689)	(2.9)	(15,476)	(3.2)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items	(8,276)	(1.8)	(10,804)	(2.5)	(9,928)	(2.1)
Finance costs	(110,624)	(24.3)	(139,105)	(32.1)	(139,722)	(28.9)
Share of results of an associate	—	—	*	0.0	*	0.0
Gain (loss) on disposal of a subsidiary	95,797	21.1	(3,803)	(0.9)	—	—
Loss before tax	(170,147)	(37.3)	(293,135)	(67.7)	(215,458)	(44.7)
Income tax credit	2,335	0.5	2,256	0.5	—	—
Loss and total comprehensive expense for the year	**(167,812)**	**(36.8)**	**(290,879)**	**(67.2)**	**(215,458)**	**(44.7)**

* Less than RMB1,000

Non-IFRS Measures

Our consolidated financial information was prepared in accordance with IFRS Accounting Standards. To supplement our consolidated results which were prepared and presented in accordance with IFRS Accounting Standards, we use adjusted net loss and EBITDA as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards.

We believe that these measures facilitate comparisons of operating performance from period to period by eliminating the potential impact of certain items. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS Accounting Standards. In addition, these non-IFRS measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net loss as loss for the year adjusted by adding back interest on redemption liabilities. Interest on redemption liabilities represented finance costs recognized in relation to redemption liabilities arising from investments from investors with preferred rights. Such redemption liabilities were measured at amortized cost using the effective interest method, and the related interest expenses were recognized as finance costs.

The following table sets forth a reconciliation of our adjusted net loss for 2023, 2024 and 2025.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	**(167,812)**	**(290,879)**	**(215,458)**
Add			
Interest on redemption liabilities	69,940	90,847	98,480
Adjusted net loss	**(97,872)**	**(200,032)**	**(116,978)**

We define EBITDA as loss for the year adjusted for income tax credit, finance costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets, in each case to the extent recognized in profit or loss. During the Track Record Period, we did not recognize any **[REDACTED]** or share-based payment compensation, and accordingly no further adjustment was made to EBITDA.

The following table sets forth a reconciliation of our EBITDA for 2023, 2024 and 2025.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	**(167,812)**	**(290,879)**	**(215,458)**
Add			
Income tax credit	(2,335)	(2,256)	—
Finance costs	110,624	139,105	139,722
Depreciation and amortization expenses recognized in profit or loss	100,048	132,278	123,329
EBITDA	**40,525**	**(21,752)**	**47,593**

Revenue

During the Track Record Period, we generated substantially all our revenue from CDMO services. The following table sets forth a breakdown of our revenue by business segment, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	Year Ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
CDMO services	419,114	92.1	424,701	98.0	481,862	99.5
Others[(1)]	35,869	7.9	8,603	2.0	2,308	0.5
Total	**454,983**	**100.0**	**433,304**	**100.0**	**484,170**	**100.0**

Note:

(1) Other revenue was primarily generated from the sales of biologics supplies.

Revenue by Project Development Stage

During the Track Record Period, we generated revenue from projects at different development stages, which can be categorized into (i) Pre-IND projects, and (ii) Post-IND projects, primarily covering clinical, BLA and commercialization stage projects. The following table sets forth a breakdown of our revenue by stage for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Pre-IND	**224,281**	**49.3**	**200,913**	**46.4**	**116,552**	**24.1**
Post-IND						
Early-stage development (Phase I & II)	96,157	21.1	57,646	13.3	113,519	23.4
Late-stage development (Phase III & BLA)	98,676	21.7	166,142	38.3	176,708	36.5
Commercialization	—	—	—	—	75,083	15.5
Others	**35,869**	**7.9**	**8,603**	**2.0**	**2,308**	**0.5**
Total	**454,983**	**100.0**	**433,304**	**100.0**	**484,170**	**100.0**

For details, see "Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss."

Summary of Our Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report included in Appendix I to this document:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	1,592,526	1,654,590	1,641,857
Total current assets	880,428	1,164,104	1,360,559
Total assets	**2,472,954**	**2,818,694**	**3,002,416**
Total non-current liabilities	643,168	986,176	1,168,719
Total current liabilities	2,097,277	2,390,888	2,602,569
Total liabilities	**2,740,445**	**3,377,064**	**3,771,288**
Net liabilities	**(267,491)**	**(558,370)**	**(768,872)**
Capital and reserves			
Paid-in capital	24,363	26,125	31,081
Reserves	(291,854)	(584,495)	(799,953)
Total deficit	**(267,491)**	**(558,370)**	**(768,872)**

Our total deficit increased from RMB267.5 million in 2023 to RMB558.4 million in 2024, primarily due to our loss and total comprehensive expense for the year of RMB290.9 million.

Our total deficit increased from RMB558.4 million in 2024 to RMB768.9 million in 2025, primarily due to our loss and total comprehensive expense for the year of RMB215.5 million, partially offset by capital contributions from shareholder of RMB5.0 million.

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Trade receivables	162,982	217,413	232,113	178,983
Prepayments and other receivables	124,430	158,468	137,747	160,143
Inventories	97,491	122,109	132,830	188,115
Contract assets	59,119	117,417	151,709	149,139
Contract costs	112,246	57,923	94,504	120,577
Financial assets at fair value through profit or loss ("**FVTPL**")	55,042	103,225	52,707	245,203
Restricted bank deposits	—	145,540	2,177	2,177
Cash and cash equivalents	269,118	242,009	556,772	344,039
Total current assets	**880,428**	**1,164,104**	**1,360,559**	**1,388,376**
Current liabilities				
Trade and other payables	426,454	298,280	309,243	332,190
Contract liabilities	113,122	105,936	193,177	244,026
Borrowings	518,893	521,159	538,137	514,183
Redemption liabilities	1,028,229	1,454,076	1,552,556	1,585,383
Lease liabilities	9,630	9,488	7,507	9,915
Deferred income	949	1,949	1,949	1,949
Total current liabilities	**2,097,277**	**2,390,888**	**2,602,569**	**2,687,646**
Net current liabilities	**(1,216,849)**	**(1,226,784)**	**(1,242,010)**	**(1,299,270)**

Our net current liabilities increased from RMB1,242.0 million as of December 31, 2025 to RMB1,299.3 million as of April 30, 2026, primarily due to increases in redemption liabilities of RMB32.8 million and contract liabilities of RMB50.8 million, partially offset by an increase in inventories of RMB55.3 million.

Our net current liabilities increased from RMB1,226.8 million as of December 31, 2024 to RMB1,242.0 million as of December 31, 2025, primarily due to an increase in redemption liabilities of RMB98.5 million, an increase in contract liabilities of RMB87.2 million, and a decrease in restricted bank deposits of RMB143.4 million, partially offset by an increase in cash and cash equivalents of RMB314.8 million.

Our net current liabilities remained relatively stable at RMB1,216.8 million as of December 31, 2023 and RMB1,226.8 million as of December 31, 2024. The slight increase was primarily due to an increase in redemption liabilities of RMB425.8 million, partially offset by an increase in restricted bank deposits of RMB145.5 million, an increase in trade receivables of RMB54.4 million and an increase in financial assets at FVTPL of RMB48.2 million.

For more details, see "Financial Information — Discussion of Selected Items of Our Consolidated Statements of Financial Position."

Summary of Our Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash from (used in) operating activities	11,139	(112,003)	74,739
Net cash (used in) from investing activities	(140,794)	(539,578)	77,209
Net cash from financing activities	198,380	624,472	162,815
Net increase (decrease) in cash and cash equivalents	68,725	(27,109)	314,763
Cash and cash equivalents at the beginning of the year	200,393	269,118	242,009
Cash and cash equivalents at the end of the year	**269,118**	**242,009**	**556,772**

For details, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

Key Financial Ratio

The following table sets forth our key financial ratio for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
Gross loss margin[(1)]	(7.4%)	(15.1%)	(3.9%)

Note:

(1) Gross loss margin is calculated based on gross loss divided by revenue for the relevant year.

RISK FACTORS

Our business and the **[REDACTED]** involve certain risks, which are set out in the section headed "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to **[REDACTED]** in our H Shares. Some of the major risk factors that we face include: (i) we are dependent on our customers' spending on and demand for outsourced biologics development and manufacturing. A reduction in spending or demand could have a

material adverse effect on our business, financial condition and results of operations; (ii) the degree of market acceptance of the products we manufacture for our customers may significantly influence our business, results of operations and financial condition; (iii) our services and offerings are highly complex, and if we are unable to provide consistently high-quality services and offerings to our customers, or if our services do not meet our customers' evolving needs, our business could suffer; (iv) we may not be able to successfully develop and offer new services that meet changing market demands and industry trends; (v) we may not succeed in developing, enhancing or adapting to new technologies and methodologies in a timely or cost-effective manner, which may adversely affect our competitiveness; (vi) we operate in a highly competitive market, and if we do not compete effectively, our business, financial condition and results of operations could be harmed; and (vii) if any operational lapses occur during our manufacturing process, there could be serious biohazard problems and product contamination and our business and reputation could be significantly harmed.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Li, our founder of the Group, executive Director, chairman of the Board and chief executive officer was able to exercise approximately 57.84% of the voting rights in our Company through: (i) 2,013,100 Shares directly held by Mr. Li, (ii) 9,971,100 Shares held by Suzhou Zhilihui, which is wholly owned by Mr. Li, and (iii) an aggregate of 5,994,040 Shares held by Changshu Qiyang, Qijun Partnership, Qikun Partnership, Qiheng Partnership, Qihao Partnership and Qide Partnership, the general partner of each of which is Huide Information Technology, which is owned as to 98% by Mr. Li.

Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), Mr. Li, Suzhou Zhilihui, Changshu Qiyang, Qijun Partnership, Qikun Partnership, Qiheng Partnership, Qihao Partnership, Qide Partnership and Huide Information Technology will continue to control approximately **[REDACTED]**% of our Company's enlarged share capital, and thus remain as a group of Controlling Shareholders of our Company. See "Relationship with Our Controlling Shareholders" for further details.

PRE-[REDACTED] INVESTMENTS

Since November 2020, we have received several rounds of Pre-**[REDACTED]** Investments from a number of Pre-**[REDACTED]** Investors. For details of the principal terms of the Pre-**[REDACTED]** Investments and background information of the major Pre-**[REDACTED]** Investors, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments."

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for **[REDACTED]** under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the year ended December 31, 2025, being approximately RMB484.2 million, which is over HK$500.0 million; and (ii) our expected market capitalization at the time of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), based on the low end of the indicative **[REDACTED]** range of HK$**[REDACTED]** per **[REDACTED]**, being HK$**[REDACTED]** billion, which is over HK$4.0 billion as required by Rule 8.05(3) of the Listing Rules.

[REDACTED]

[REDACTED]

Our **[REDACTED]** mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]**, and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the **[REDACTED]** fee, the estimated total **[REDACTED]** (based on the mid-point of the **[REDACTED]** Range and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]** million, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]**, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]** million, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** million and other fees and expenses of HK$**[REDACTED]** million. During the Track Record Period, we did not incur **[REDACTED]**. An estimated amount of HK$**[REDACTED]** million for our **[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** million is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**.

DIVIDENDS

We did not declare or pay any dividends during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. **[REDACTED]** should not purchase our H Shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. We may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view

of our accumulated losses, or, as advised by our PRC Legal Advisor, even if we become profitable, we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future. For details, see "Financial Information — Dividends."

FUTURE PLANS AND USE OF [REDACTED]

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

We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

(i) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be allocated to fund the construction of two additional drug substance manufacturing facilities at our Changshu site, each with an annual production capacity of 960,000 L;

(ii) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be allocated to fund the construction of two dedicated facilities for ADC production at our Changshu site;

(iii) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to fund the construction of new biologics development facilities at our Changshu site;

(iv) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to fund the construction of an AI data center at our Changshu site; and

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

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

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since the end of the Track Record Period, we have continued to deliver our manufacturing-driven, customer-focused and outcome-oriented CDMO services that support biologics from pipeline to patient. Notably, in January 2026, we supported the approval of Libevitug in China and have since provided commercial manufacturing services for the product.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and that there has been no event since December 31, 2025 and up to the date of this document that would materially affect the information in the Accountants' Report.

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

"Accountants' Report"	the accountants' report of our Group set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company adopted by special resolution on February 25, 2026 with effect from the **[REDACTED]**, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in "Appendix IV — Summary of Articles of Association"
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	the board of Directors of our Company
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"CEO"	the chief executive officer of our Group
"Changshu Qiyang"	Changshu Qiyang Biotechnology Partnership (Limited Partnership) (常熟啟揚生物科技合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2022 and ultimately controlled by Mr. Li, one of our Controlling Shareholders
"China" or "PRC"	the People's Republic of China and for the purpose of this document and for geographical reference only, unless the context otherwise requires, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Intellective Biologics (Suzhou) Co., Ltd. (智享生物(蘇州)股份有限公司), a limited liability company established in the PRC on April 27, 2018 and converted into a joint stock company with limited liability on January 21, 2026
"Compliance Advisor"	Rainbow Capital (HK) Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, collectively refers to, Mr. Li, Suzhou Zhilihui, Huide Information Technology, Changshu Qiyang, Qijun Partnership, Qiheng Partnership, Qihao Partnership, Qide Partnership and Qikun Partnership, and "Controlling Shareholder" means any one of them and details of which are set out in the section headed "Relationship with our Controlling Shareholders" in this document
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time

"Employee Incentive Platforms"	the platforms established for the purpose of our Pre-**[REDACTED]** Share Incentive Scheme and unless the context otherwise requires, shall include Qiheng Partnership, Qihao Partnership, Qide Partnership, Qikun Partnership, Qituo Partnership, Qike Partnership, Qichuang Partnership, Qiyuan Partnership and Qizhi Partnership
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
[REDACTED]	**[REDACTED]**
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company
"Frost & Sullivan Report"	the report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set out in "Industry Overview"
[REDACTED]	**[REDACTED]**
"Group," "we" or "us"	our Company and our subsidiaries from time to time
"Guide"	the Guide for New Listing Applicants published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	Shares of our Company for which an application has been made for **[REDACTED]** and permission to **[REDACTED]** on the Stock Exchange
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
"HK$" or "Hong Kong dollar"	Hong Kong dollar, the lawful currency of Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Huide Information Technology"	Zhixiang Huide Information Technology (Suzhou) Co., Ltd. (智享慧德信息科技(蘇州)有限公司), a limited liability company established in the PRC on June 24, 2020 and was owned by 98% by Mr. Li as of the Latest Practicable Date, one of our Controlling Shareholders
"IFRSs"	International Financial Reporting Standards which comprise all standards and interpretations approved by the International Accounting Standards Board
"Independent Third Party(ies)"	entity(ies) or person(s) who is/are not connected person(s) of our Company or our subsidiary within the meaning of the Listing Rules
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Latest Practicable Date"	May 27, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listing Issuers set out in Appendix C3 to the Listing Rules
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Li"	Mr. Li Zhi (李智), our founder, the chairman of our Board, executive Director and CEO of our Company, and one of our Controlling Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

"Nomination Committee"	the nomination committee of our Board
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Overseas Listing Trial Measures"	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), as amended, supplemented or otherwise modified from time to time
"PRC Company Law"	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	JunHe LLP, our legal advisor as to PRC law
"Pre-**[REDACTED]** Investment(s)"	the investment(s) in our Company by the Pre-**[REDACTED]** Investors, the details of which are set out in "History, Development and Corporate Structure"

"Pre-**[REDACTED]** Investor(s)"	the investor(s) making investments in our Company prior to the **[REDACTED]**, the details of which are set out in "History, Development and Corporate Structure"
"Pre-**[REDACTED]** Share Incentive Scheme"	the pre-**[REDACTED]** share incentive scheme of our Company approved and adopted by our Shareholders on January 5, 2026, a summary of the principal terms of which is set out in "Appendix V — Statutory and General Information — D. Pre-**[REDACTED]** Share Incentive Scheme"
[REDACTED]	**[REDACTED]**
"document"	this document being issued in connection with the **[REDACTED]**
"Qichuang Partnership"	Gongqingcheng Qichuang Investment Partnership (Limited Partnership) (共青城啟創投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 25, 2025, one of our Employee Incentive Platforms
"Qide Partnership"	Gongqingcheng Qide Investment Partnership (Limited Partnership) (共青城啟德投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 5, 2020, one of our Employee Incentive Platforms and our Controlling Shareholders
"Qihao Partnership"	Gongqingcheng Qihao Investment Partnership (Limited Partnership) (共青城啟昊投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 5, 2020, one of our Employee Incentive Platforms and our Controlling Shareholders
"Qiheng Partnership"	Gongqingcheng Qiheng Investment Partnership (Limited Partnership) (共青城啟恒投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 30, 2022, one of our Employee Incentive Platforms and our Controlling Shareholders
"Qijun Partnership"	Gongqingcheng Qijun Investment Partnership (Limited Partnership) (共青城啟君投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 5, 2020, which is ultimately controlled by Mr. Li and one of our Controlling Shareholders

"Qike Partnership"	Gongqingcheng Qike Investment Partnership (Limited Partnership) (共青城啟科投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 25, 2025, one of our Employee Incentive Platforms
"Qikun Partnership"	Gongqingcheng Qikun Investment Partnership (Limited Partnership) (共青城啟坤投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 5, 2020, one of our Employee Incentive Platforms and our Controlling Shareholders
"Qituo Partnership"	Gongqingcheng Qituo Investment Partnership (Limited Partnership) (共青城啟拓投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 25, 2025, one of our Employee Incentive Platforms
"Qiyuan Partnership"	Gongqingcheng Qiyuan Investment Partnership (Limited Partnership) (共青城啟淵投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 25, 2025, one of our Employee Incentive Platforms
"Qizhi Partnership"	Gongqingcheng Qizhi Investment Partnership (Limited Partnership) (共青城啟智投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 25, 2025, one of our Employee Incentive Platforms
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Stock Exchange, the Shanghai Stock Exchange, **[REDACTED]** and the CSDC for mutual market access between Hong Kong and Shanghai
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each upon the completion of the Share Subdivision, comprising Unlisted Share(s) and H Share(s); before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
"Share Subdivision"	the sub-division of the Shares by the Company where the Company subdivided its Shares from one Share of RMB1.00 each into ten Shares of RMB0.10 each, which will become effective immediately prior to the **[REDACTED]**
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Stock Exchange, the Shenzhen Stock Exchange, **[REDACTED]** and the CSDC for mutual market access between Hong Kong and Shenzhen
"Sole Sponsor"	the sole sponsor named in "Directors and Parties Involved in the **[REDACTED]**"
[REDACTED]	**[REDACTED]**
"STA"	State Taxation Administration of the PRC (中華人民共和國國家税務總局)
[REDACTED]	**[REDACTED]**
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"Suzhou Zhilihui"	Suzhou Zhilihui Enterprise Management Co., Ltd. (蘇州知立匯企業管理有限公司), a limited liability company established in the PRC on November 27, 2020 and ultimately controlled by Mr. Li, being one of our Controlling Shareholders
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the three years ended December 31, 2023, 2024 and 2025
"treasury Share(s)"	has the meaning ascribed to it under the Listing Rules
"U.S." or "United States"	the United States of America, its territories, possessions and all areas subject to its jurisdiction
"U.S. dollar" or "US$"	United States dollar, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each (taking into account the Share Subdivision), which is/are not listed or traded on any stock exchange
"%"	per cent

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similar terms adopted by other companies.

"ADC"	antibody-drug conjugate, a class of targeted biopharmaceutical that combines the target specificity of a monoclonal antibody with the cytotoxicity of a small-molecule drug through a chemical linker, enabling selective delivery of the cytotoxic payload to tumor cells
"antibody"	a protective protein produced by the immune system in response to a foreign substance, or a therapeutic molecule engineered to bind specifically to a target antigen for the treatment or prevention of disease
"bioconjugate"	a molecule formed by the covalent attachment of a biomolecule, such as an antibody or protein, to another chemical entity, including a drug, toxin, label or polymer, to create a therapeutic or diagnostic agent
"bioreactor"	a vessel or system designed to support a biologically active environment for the cultivation of cells, microorganisms, or tissues under controlled conditions, used in biologics manufacturing for upstream production
"biosimilar"	a biologic product that is highly similar to and has no clinically meaningful differences from an existing approved reference biologic product in terms of quality, safety and efficacy
"bispecific antibody"	an engineered antibody or antibody fragment capable of simultaneously binding two different antigens or two distinct epitopes on the same antigen, enabling novel mechanisms of action
"BLA"	biologics license application
"CAGR"	compound annual growth rate, the mean annual growth rate of an investment or business metric over a specified period of time longer than one year, assuming steady growth compounded each year
"CAPA"	corrective action and preventive action, a systematic approach within a quality management system to investigate non-conformances, identify root causes, implement corrective measures for existing issues and preventive measures to avoid recurrence

GLOSSARY OF TECHNICAL TERMS

"CDMO"	contract development and manufacturing organization, a service provider that offers integrated drug development and manufacturing services to pharmaceutical and biotechnology companies on a contract basis across the product lifecycle
"cell line"	a defined population of cells derived from a single progenitor cell that can be stably maintained in culture and used for the consistent production of recombinant proteins or other biologics
"cell line development"	the process of engineering, selecting and characterizing a host cell line to stably express a target recombinant protein at commercially viable levels with appropriate quality attributes
"chromatography"	a separation technique used in downstream processing to purify target biomolecules from complex mixtures based on differential partitioning between a stationary phase and a mobile phase, including affinity, ion-exchange and size-exclusion chromatography
"CMC"	chemistry, manufacturing and controls, the body of information that defines the identity, strength, quality, purity and potency of a drug product, and describes the manufacturing process, specifications and control strategies submitted to regulatory authorities
"CMO"	contract manufacturing organization, a service provider that offers drug manufacturing services to pharmaceutical and biotechnology companies on a contract basis
"conjugation"	the chemical process of covalently linking a cytotoxic drug payload to an antibody or other targeting moiety, typically via a linker, to produce an antibody-drug conjugate or other bioconjugate
"CPP"	critical process parameter, a process parameter whose variability has an impact on a critical quality attribute and therefore must be monitored and controlled to ensure the process produces the desired product quality
"CPV"	continued process verification, the ongoing monitoring and evaluation of a manufacturing process during commercial production to ensure it remains in a state of control, as required under ICH and GMP guidelines

GLOSSARY OF TECHNICAL TERMS

"CQA"	critical quality attribute, a physical, chemical, biological or microbiological property or characteristic that must be within an appropriate limit, range or distribution to ensure the desired product quality
"deviation"	a departure from an approved instruction, procedure, specification or established standard within a quality management system, which must be documented, investigated and resolved in accordance with applicable GMP requirements
"DoE"	design of experiments, a structured statistical methodology used in process development to systematically evaluate the relationships between multiple input factors and output responses, enabling efficient process characterization and optimization
"downstream processing"	the series of unit operations in biologics manufacturing that follow the bioreactor production step, including product recovery, purification by chromatography, viral inactivation and removal, concentration, and formulation, to isolate and purify the target molecule to required specifications
"DP"	drug product, a finished dosage form, such as a vial, prefilled syringe or lyophilized cake, that contains the drug substance formulated with excipients and is ready for administration to patients
"DS"	drug substance, the active pharmaceutical ingredient or bulk purified biologic material prior to formulation into the final drug product
"EMA"	European Medicines Agency, the regulatory agency of the European Union responsible for the scientific evaluation, supervision and safety monitoring of medicines for human and veterinary use
"EU QP"	European Union Qualified Person, a professional certified under EU legislation who is responsible for certifying that each batch of medicinal product has been manufactured and tested in compliance with EU GMP requirements before its release to the market

"FDA"	the U.S. Food and Drug Administration, the federal agency of the United States Department of Health and Human Services responsible for protecting public health by ensuring the safety, efficacy and security of human and veterinary drugs, biological products and medical devices
"FFS"	fee-for-service, a commercial model under which a CDMO charges customers based on the specific services performed, materials consumed and resources utilized for a given project, as opposed to fixed-price or risk-sharing arrangements
"fill-finish"	the aseptic process of filling a sterile drug product into its final primary container, such as a vial, syringe or cartridge, and completing the sealing, labeling and packaging operations in a controlled environment
"formulation"	the composition and process by which a drug substance is combined with excipients to produce a stable, safe and efficacious drug product suitable for its intended route of administration
"fusion protein"	a recombinant protein created by genetically fusing two or more genes or gene fragments that originally coded for separate proteins, designed to combine functional domains with distinct therapeutic properties
"GMP"	good manufacturing practice, a system of regulations, codes and guidelines governing the production of pharmaceutical, biologic and medical device products to ensure they are consistently produced and controlled according to quality standards
"ICH"	the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use, which brings together regulatory authorities and the pharmaceutical industry to develop harmonized scientific and technical guidelines for drug development and registration
"IND"	investigational new drug application, a regulatory submission filed with a competent authority, such as the FDA or NMPA, seeking authorization to administer an investigational drug to human subjects in clinical trials

"linker"	a chemical moiety used in antibody-drug conjugates to covalently attach the cytotoxic payload to the antibody, designed to be stable in circulation while releasing the payload upon internalization into target cells
"lyophilization"	freeze-drying, a low-temperature dehydration process in which a drug product is frozen and then subjected to a vacuum to remove water by sublimation, commonly used to enhance the stability and shelf-life of biologic drug products
"media"	the nutrient solution used in cell culture to support the growth, metabolism and productivity of cells in a bioreactor; includes base media and supplemental feeds
"modality"	a classification of therapeutic agents based on their molecular format and mechanism of action, including monoclonal antibodies, bispecific antibodies, antibody-drug conjugates, fusion proteins and recombinant proteins
"molecular type"	the structural and functional category of a therapeutic molecule, such as monoclonal antibodies, bispecific antibodies, ADCs, fusion proteins, enzymes and peptides
"multispecific antibody"	an engineered antibody capable of binding to three or more different antigens or epitopes simultaneously, designed to achieve novel mechanisms of action beyond those of monospecific and bispecific antibodies
"NDA"	new drug application, a comprehensive regulatory submission to the FDA seeking approval to market a new drug in the United States, containing data from preclinical and clinical studies together with CMC information
"NMPA"	National Medical Products Administration, the regulatory authority of the People's Republic of China responsible for the supervision and approval of drugs, medical devices and cosmetics, including GMP inspections and marketing authorization
"PAI"	pre-approval inspection, a critical evaluation conducted by regulatory agencies, such as the FDA, to ensure that a manufacturing site can produce a drug product according to the required standards before it is approved for market release

"payload"	the cytotoxic drug molecule attached to an antibody via a linker in an antibody-drug conjugate, designed to be released inside target cells to induce cell death
"PPQ"	process performance qualification, the stage of process validation in which the manufacturing process as designed and qualified is evaluated to confirm that it is capable of reproducible commercial manufacturing that consistently meets all predefined acceptance criteria
"process characterization"	the systematic study of a manufacturing process to identify and understand the relationships between process parameters and product quality attributes, establishing proven acceptable ranges and supporting the definition of a control strategy
"process development"	the systematic design, optimization and scale-up of a manufacturing process for a biologic product, encompassing cell line development, upstream and downstream process development, formulation and analytical development
"process validation"	the collection and evaluation of data from the process design stage through commercial production to establish scientific evidence that a process is capable of consistently delivering a product meeting its predetermined quality attributes
"QA"	quality assurance, the systematic activities and functions within a quality management system that ensure processes are adequate for a product to meet quality requirements, focused on preventing defects through process oversight
"QbD"	quality by design, a systematic approach to pharmaceutical development that begins with predefined objectives and emphasizes product and process understanding, process control and risk management throughout the product lifecycle
"QC"	quality control, the laboratory testing and operational activities performed to verify that materials, intermediates and finished products conform to established specifications and quality standards

"recombinant protein"	a protein produced by genetically engineered host cells into which the gene encoding the target protein has been introduced, enabling the large-scale production of therapeutic proteins that are otherwise difficult to isolate from natural sources
"resin"	the solid-phase chromatographic medium used in downstream processing to selectively capture or separate target biomolecules from process impurities, including Protein A resins for antibody purification and ion-exchange resins for polishing steps
"stainless-steel bioreactor"	a fixed, reusable bioreactor constructed of stainless steel, designed for large-scale commercial manufacturing of biologics, offering high durability, scalability to 6,000 L and above, and established cleaning and sterilization protocols
"viral clearance"	a set of dedicated unit operations, such as low-pH inactivation, solvent/detergent treatment and nanofiltration, designed to remove or inactivate potential viral contaminants during the downstream processing of biologic products, as required by ICH and regulatory guidelines

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements and information that relate to our current expectations and views of future events. These forward-looking statements are contained principally in "Summary," "Risk Factors," "Industry Overview," "Business," "Financial Information" and "Future Plans and Use of **[REDACTED]**." These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in "Risk Factors," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in "Risk Factors."

The forward-looking statements contained in this document relate only to events or information as of the date on which the statements are made. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this document completely and with the understanding that our actual future results or performance may be materially different from what we expect.

In this document, statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any of these intentions may change in light of future development.

[REDACTED] *in our H Shares involves significant risks. You should carefully read and consider all of the information in this document, including the risks and uncertainties described below, before deciding to* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the market price of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**. *The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations and financial condition.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are dependent on our customers' spending on and demand for outsourced biologics development and manufacturing. A reduction in spending or demand could have a material adverse effect on our business, financial condition and results of operations.

The success of our business depends primarily on the number and size of service contracts with our customers, primarily pharmaceutical and biotechnology companies. Over the past several years, we have benefitted from an increased demand for our services as a result of the continued growth of the global biologics market, increasing research and development budgets of our customers, and a greater degree of outsourcing by our customers. For more information on the industry trend, see "Industry Overview." A slowing or reversal of any of these trends could have a significant adverse effect on the demand for our services.

In addition to the foregoing industry trends, our customers' willingness and ability to utilize our services are also subject to, among other things, their own financial performance, changes in their available resources, their decisions to acquire in-house development or commercial manufacturing capacity, their spending priorities, their budgetary policies and practices, and their need to develop new biological products, which, in turn, is dependent upon a number of factors, including their competitors' development and commercial manufacturing initiatives, and the anticipated market uptake, clinical and reimbursement scenarios for specific products and therapeutic areas. In addition, consolidation in the industries in which our customers operate may have an impact on such spending as our customers integrate acquired operations, including research and development departments and their budgets. If our customers reduce their spending on our services as a result of any of these or other factors, our business, financial condition and results of operations would be materially and adversely affected.

The degree of market acceptance of the products we manufacture for our customers may significantly influence our business, results of operations and financial condition.

We are dependent on, and have no control over, market acceptance for the products we manufacture for our customers. If the products we manufacture for our customers do not gain market acceptance, our revenues and profitability may be adversely affected. The degree of market acceptance of our customers' products will depend on a number of factors, including, but not limited to: (i) the ability of our customers to publicly establish and demonstrate the efficacy and safety of such products, including favorably comparing such products to competing products; (ii) regulatory approval of, or regulatory actions taken with respect to, such products; (iii) the costs to potential consumers of using such products and the cost of competing products; (iv) the prevalence and severity of any side effects; (v) product labeling or product insert

requirements of regulatory authorities; (vi) the availability of adequate coverage, reimbursement and pricing by third-party payors and government authorities; (vii) the market acceptance of competing products resulting from their development and advancement; (viii) the emergence, advancement or adoption of new therapies, technologies or treatment modalities that may reduce demand for, or otherwise displace, our customers' products; (ix) marketing and distribution support for such products; and (x) public perception of our customers and our customers' industry. If production volumes of key products that we manufacture for our customers and related revenues are not maintained, we may suffer a material adverse effect on our business, results of operations and financial condition.

Our services and offerings are highly complex, and if we are unable to provide consistently high-quality services and offerings to our customers, or if our services do not meet our customers' evolving needs, our business could suffer.

The services we offer are highly customized, exacting and complex, due in part to strict regulatory requirements and customer-specific technical requirements. Our operating results depend on our ability to execute and, when necessary, improve our quality management strategy and systems, and our ability to effectively train and maintain our employee base with respect to quality management. We have established a quality management function including quality assurance (QA), quality control (QC), process control, change control, deviation management, corrective and preventive action (CAPA) and batch record controls. A failure of our quality management systems in our new and existing business units and facilities could result in problems with facility operations or preparation or provision of products. In each case, such problems could arise for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with the batch variation of raw materials or artificial errors during the manufacturing operations, and failure to comply with regulations strictly enforced by relevant government authorities. Such problems could affect our production process, requiring the destruction of such products or a halt of facility production altogether.

Furthermore, the complexity of our services and offerings stems from the technical uncertainties inherent in process scale-up, where parameters optimized in the laboratory may not seamlessly translate to large-scale production. We cannot eliminate the risks of reduced product purity, excessive impurity levels, or significant inter-batch stability issues, which may lead to extended production cycles and increased costs. Consequently, we may even lose commercial manufacturing orders from clients unless we successfully resolve these technical challenges.

We may not be able to successfully develop and offer new services that meet changing market demands and industry trends.

There have been many advances in treatment modalities based on technological innovations to meet the needs of various complex diseases. In order to compete successfully, we need to offer and develop new services to meet the changing demand of our customers and the trends of the whole industry. Without the timely introduction of enhanced or new services, our services and capabilities may become obsolete over time, in which case, our revenues and operating results would suffer. During the Track Record Period, we have continued to diversify and expand our service offerings. Successful offering of new services depends on several factors, including, but not limited to, our ability to (i) properly anticipate and satisfy customer needs, including increasing demand for lower-cost services; (ii) enhance, innovate, develop and deliver new offerings in an economical and timely manner; and (iii) differentiate our offerings from competitors' offerings.

Even if we were to succeed in creating enhanced or new services, those services may not result in commercially successful offerings or may not produce revenues in excess of the costs of development and capital investment and may be quickly rendered obsolete by changing customer preferences or by technologies or features offered by our competitors. In addition, innovations may not be accepted quickly due to, among other things, entrenched patterns of industry practice, the need for regulatory clearance and uncertainty over market access or government or third-party reimbursement. We may also face challenges integrating any future acquired technologies, service lines or teams if we pursue acquisitions, licensing arrangements or strategic collaborations.

We may not succeed in developing, enhancing or adapting to new technologies and methodologies in a timely or cost-effective manner, which may adversely affect our competitiveness.

The global pharmaceutical outsourcing service industry is characterized by rapid technological changes. Demand for our services may change in ways that we may not be able to anticipate because of evolving industry standards or as a result of evolving customer needs that are increasingly sophisticated and varied or because of the introduction by competitors of new services and technologies. To maintain our technological advantages, we have invested significant amounts of capital and resources into our research and development activities. In 2023, 2024 and 2025, our research and development expenses were RMB57.9 million, RMB37.1 million and RMB45.9 million, respectively, representing 12.7%, 8.6% and 9.5% of our revenue for each year, respectively. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies and methodologies that will allow us to enhance the scope and quality of our services. However, we cannot assure you that we will be able to develop, enhance or adapt to new technologies and methodologies. Any failure to do so may make our techniques and services obsolete, which could significantly reduce demand for our services and harm our business and prospects.

Developing new technologies and methodologies, and improving existing ones, requires a significant amount of capital investment and involves substantial uncertainties. We cannot assure you that, even if we succeed in developing, enhancing, or adapting to new technologies and methodologies, we will be able to generate a sufficient return on our investment. As a result, we may incur substantial losses from our investment in research and development activities, and our future business, results of operations, financial condition, and prospects could be materially and adversely affected.

We operate in a highly competitive market, and if we do not compete effectively, our business, financial condition and results of operations could be harmed.

The global biologics development and manufacturing services market is highly competitive and we expect this high level of competition to be increasingly fierce. As a comprehensive provider of outsourced biologics development and manufacturing solutions and services, we compete, both domestically and internationally, with other players in this market, such as full-service pharmaceutical outsourcing companies, contract manufacturers with different areas of focus and expertise, and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity. In addition, some pharmaceutical companies may elect to provide their own development and manufacturing services internally rather than outsourcing those functions to us or any of our competitors. We obtain competitive advantages primarily based on our integrated portfolio of service offerings, cutting-edge technologies, customized

process development capabilities supported by continued investment in R&D, on-time, stable delivery of high-quality services, a customer-centric approach to services, effective quality assurance and EHS policies and procedures, and compliance with good manufacturing practices (GMPs) and regulatory requirements.

Some of our competitors may have substantially greater financial, marketing, technical or other resources than we do. Greater financial, marketing, technical or other resources may allow our competitors to respond to changes in market demand more quickly with new, alternative or emerging technologies. Changes in the nature or extent of our customer requirements may render our service offerings obsolete or non-competitive. In addition, our competitors may improve the performance of their services, introduce new services at lower prices and with improved performance characteristics. Furthermore, increased competition could create pricing pressure on our services, which could reduce our revenue and profitability. There is no assurance that we will be able to compete effectively with existing competitors or new competitors or that the level of competition will not adversely affect our business, financial condition and results of operations.

If any operational lapses occur during our manufacturing process, there could be serious biohazard problems and product contamination and our business and reputation could be significantly harmed.

Our manufacturing involves complex biological and chemical processes that require stringent environmental controls and adherence to standardized operating procedures. Any failure to maintain these standards — particularly regarding the operation and maintenance of our stainless-steel reactors, cleanroom facilities, filling and lyophilization equipment and other specialized equipment, and, where applicable, the handling of cytotoxic or highly potent materials in antibody-drug conjugate (ADC) projects — could lead to significant biohazard problems, occupational safety incidents or product contamination. Such operational lapses may arise from human error, equipment malfunction, or the failure of our sterilization and environmental monitoring systems. If contamination or other material deviations occur during the process, we may face several adverse consequences, including, but not limited to, (i) the mandatory destruction of affected batches that fail to meet our quality specifications or regulatory standards; (ii) temporary or prolonged suspension of manufacturing lines to conduct deep cleaning, environmental re-validation, or root-cause investigations; (iii) the inability to fulfill customer orders on schedule, which could damage our reputation and lead to potential claims for breach of contract; and (iv) increased regulatory scrutiny, fines, or the suspension of manufacturing licenses by relevant authorities. The occurrence of any of these events could have a material adverse effect on our business and reputation.

Any failure to comply with existing regulations and industry standards, or any adverse actions by the regulatory authorities against us could result in significant penalties and materially and adversely affect our business, financial condition and results of operations.

In many countries or regions where a biologics drug is intended to be ultimately sold, such as China, the United States and Europe, the relevant government agencies and industry regulatory bodies impose high standards on the efficacy and safety of such drug, as well as strict rules, regulations and industry standards on how we and our customers develop and manufacture such drug. For example, we may need to obtain clearance from the National Medical Products Administration (NMPA), the U.S. Food and Drug Administration (FDA), European Medicines Agency (EMA), or other regulatory authorities. These regulatory authorities may conduct

scheduled or unscheduled periodic inspections of our facilities to monitor our regulatory compliance. We cannot assure you that we will be able to pass all the inspections and obtain clearance from all the regulatory authorities at all times. Any failure to comply with existing regulations and industry standards could result in fines or other punitive actions against us or our customers, the termination of ongoing biologics projects by our customers and the disqualification of data for submission to regulatory authorities, each of which could have a material adverse impact on our business, financial condition and results of operations. In addition, any action against us for violation of the relevant regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business and adversely affect our financial results.

Our failure to obtain or renew certain approvals, licenses, permits and certificates required for our business may result in suspension of operations and materially and adversely affect our business, financial condition and results of operations.

Pursuant to the relevant laws and regulations, we are required to obtain and maintain various approvals, licenses, permits and certificates from relevant authorities to operate our business. Any failure to obtain any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities causing operations to cease, and may include corrective measures requiring capital expenditure or remedial actions, which in the future could materially and adversely affect our business, financial condition and results of operations. There is also no assurance that the relevant authorities would not take any enforcement action against us. In the event that such enforcement action is taken, our business operations could be materially and adversely disrupted.

In addition, some of these approvals, permits, licenses and certificates are subject to periodic renewal and/or reassessment by the relevant authorities, and the standards of such renewal and/or reassessment may change from time to time. Although we are committed to applying for the renewal and/or reassessment of these approvals, permits, licenses and certificates when required by applicable laws and regulations, there can be no assurance that we will successfully procure such renewals and/or reassessment. Any failure by us to obtain the necessary renewals and/or reassessment and otherwise maintain all approvals, licenses, permits and certificates necessary to carry out our business at any time could severely disrupt our business and prevent us from continuing to carry out our business, which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, if the interpretation or implementation of existing laws and regulations changes or new regulations come into effect requiring us to obtain any additional approvals, permits, licenses or certificates that were previously not required to operate our existing businesses, we cannot assure you that we will successfully obtain such approvals, permits, licenses or certificates. Our failure to obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, decrease our revenues and/or increase our costs, which could materially reduce our profitability and prospects.

Our limited operating history may make it difficult to evaluate our business and future growth prospects.

We began our business in 2018 and have a limited operating history. Since our inception, we have been continuously expanding the breadth of our integrated biologics contract development and manufacturing organization (CDMO) services. As such, our annual and semi-annual revenue and other operating results have fluctuated in the past and may continue to fluctuate depending upon a number of factors, many of which are beyond our control. Accordingly, our operating history, in particular period-to-period comparisons of our historical results of operations, may not be a reliable indicator of our future performance or serve as an adequate basis for evaluating our business prospects and financial performance. We may not be able to expand our business at a profit or at all, maintain our competitive position, satisfy our contractual obligations, or achieve or sustain growth and profitability. In addition, it is possible that our results of operations in some reporting periods will fall below market expectations.

We were loss-making during the Track Record Period and have a history of gross losses, and our path to profitability may not be guaranteed.

We have not yet been profitable, and our business has a track record of incurring gross losses. Our loss for the year was RMB167.8 million, RMB290.9 million and RMB215.5 million in 2023, 2024 and 2025, respectively. In addition, in 2023, 2024 and 2025, our gross loss was RMB33.8 million, RMB65.3 million and RMB18.7 million, respectively. For reasons of our historical losses, see "Financial Information — Business Sustainability and Path to Profitability — Reasons for Historical Loss." There is no guarantee that we will achieve or sustain profitability as we continue to invest in capacity, technologies, personnel and overseas business development. Our path to profitability depends on a number of factors, including customer demand, project mix, pricing, utilization of our manufacturing lines, successful conversion of late-stage projects into commercial manufacturing, cost control, financing costs and competitive dynamics. If we fail to address our loss-making position in the long run, our business, financial condition, and results of operations may be materially and adversely affected.

We incurred net liabilities and net current liabilities during the Track Record Period, and experienced net operating cash outflow in 2024. We may need to obtain additional financing to fund our operations.

As of December 31, 2023, 2024 and 2025, we had net liabilities of RMB267.5 million, RMB558.4 million and RMB768.9 million, respectively. In addition, we had net current liabilities of RMB1,216.8 million, RMB1,226.8 million and RMB1,242.0 million as of the same dates, respectively. For reasons of our net liabilities and net current liabilities positions, see "Financial Information — Discussion of Selected Items of Our Consolidated Statements of Financial Position." A net liabilities position and net current liabilities position can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all.

We may experience net cash outflows from our operating activities from time to time. We recorded net cash from operating activities of RMB11.1 million and RMB74.7 million in 2023 and 2025, respectively, and net cash used in operating activities of RMB112.0 million in 2024. For details, see "Financial Information — Liquidity and Capital Resources." There is no assurance that we will be able to achieve positive operating cash flows or secure sufficient external financing to meet our funding needs on favorable terms, or at all. Any failure to

effectively manage our cash position, or any significant delay or shortfall in revenue collection, may adversely affect our liquidity, limit our ability to execute strategic initiatives, and, in turn, materially and adversely impact our financial condition, results of operations, and future growth prospects. Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect.

If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our success depends on our ability to attract, train, motivate and retain highly skilled scientists and other technical personnel, and failure to do so may materially and adversely affect our operations.

Our success depends, to a significant extent, on our team of scientists and other technical personnel and their ability to deliver high-quality and timely services to our customers and keep abreast of cutting-edge technologies and developments in the pharmaceutical market. We compete vigorously with pharmaceutical and biotechnology companies, other CDMO companies and research and academic institutions for qualified and experienced scientists and other technical personnel. As a result, such scientists are highly sought after by our competitors and we may face challenges in attracting and retaining skilled scientists and other technical personnel. We may not be able to hire and retain sufficient skilled and experienced scientists or other technical personnel at our current level of compensation. As a result, we may need to offer higher compensation and other benefits, which could materially and adversely affect our profit margin, financial condition and results of operations. In addition, we may not be successful in training our professionals to keep pace with changes in customer needs and technological and regulatory standards. Any inability to attract, motivate, train or retain qualified scientists or other technical personnel may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The loss of the services of our senior management could materially disrupt our business operations and growth strategies.

Our success significantly depends upon the continued service of our senior management. In particular, we are highly dependent on Mr. Li, our founder, executive Director, chairman of the Board and chief executive officer, who is responsible for the overall strategic planning and business direction and day-to-day management of our Company. The loss of any of our senior management could have a material adverse effect on our business and operations. If we lose the services of any senior management members, we may be unable to identify, hire and train suitable qualified replacements and may incur additional expenses and time to recruit and train new personnel, which could severely disrupt our business operations and growth strategies. In addition, we may not be able to successfully enforce the non-compete agreements we entered into with our management members should any of them leave us, which could adversely affect our business operations and growth strategies.

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition and results of operations could be materially and adversely affected.

Our growth strategies include expanding our facilities and biologics development and manufacturing capacity to meet our customers' needs, broadening the breadth of our integrated services, increasing our penetration into overseas markets, including Europe and other emerging markets, and consolidating our talent base. For more information, see "Business — Our Strategies" and "Future Plans and Use of **[REDACTED]**." Pursuing our growth strategies has resulted in, and will continue to result in, substantial demands on capital and other resources. In addition, managing our growth and executing on our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive global biologics outsourcing services market, effective coordination and integration of our facilities and teams across different sites, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, increased marketing and customer support activities, effective quality control, and management of our suppliers to leverage our purchasing power. Any failure to execute on our growth strategies or realize our anticipated growth could adversely affect our business, financial condition and results of operations.

Our expansion plans may require significant capital investment and may not be completed on schedule or utilized as expected.

We plan to expand our Changshu site by constructing additional drug substance modules, dedicated ADC drug product and conjugation facilities, process development and analytical laboratories and an AI data center primarily using the net **[REDACTED]** from the **[REDACTED]**, supplemented by our own funds where necessary. These projects are subject to risks associated with construction, fit-out, equipment procurement, installation, qualification, validation, regulatory readiness, recruitment and customer demand. If construction costs increase, completion or qualification is delayed, expected process performance qualification (PPQ) or commercial projects do not materialize, or utilization is lower than anticipated, we may incur higher depreciation, financing and operating costs and may not realize the expected returns on these **[REDACTED]**. Conversely, if demand grows faster than expected or facility qualification is delayed, we may fail to secure sufficient capacity to meet customer schedules. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

If our expansion into new geographic markets does not progress as planned, our business growth, financial condition and results of operations could be materially and adversely affected.

During the Track Record Period, substantially all of our revenue was generated from customers headquartered in China. We intend to further diversify our customer geographic mix to increase revenue generated by customers based in Europe and other emerging markets. The legal and regulatory frameworks, competitive landscapes and customer preferences of these foreign markets may be different from the China market. We have limited experience working with these overseas customers, and we may encounter unforeseeable barriers and challenges in these markets, including longer customer qualification processes, additional customer audits, different documentation and quality expectations, more complex logistics and customs requirements, or the need to work with local business partners. These factors may result in a

delay to or failure of our expansion plans. In addition, we may invest significant time and resources on promoting brand awareness and acquiring market shares in these foreign markets. We may not be able to manage our costs or generate sufficient revenue to justify the time and resources spent. If our geographic expansion is unsuccessful, our business operation and financial condition could be materially and adversely affected.

Changes in government regulations or in practices relating to the pharmaceutical and biotech industry may adversely affect our business.

Changes in government regulations or in practices relating to the pharmaceutical and biotech industries, including reform of the drug approval process in relevant jurisdictions, could decrease demand for the services we provide, and compliance with new regulations may result in additional costs. Changes that result in a relaxation in regulatory requirements, or the introduction of simplified approval procedures which will lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements or may make our services less competitive, could eliminate or substantially reduce the demand for our services.

Any delays, cancellations and non-renewals of our contracts may materially and adversely affect our revenue and business.

Although we have many long-term contracts, the volume under each contract is subject to change, sometimes significantly, based on the forecasted demand from our customers. In addition, certain contracts may be cancelled or delayed by customers on short notice for various reasons. While we, as a CDMO company, are required to arrange our manufacturing capacity in advance (e.g., the construction of new bioreactors and the expansion of cleanroom facilities), our clients may cancel, delay, or refuse to renew contracts for different reasons, which could render the capacity we have already commissioned idle and underutilized, thereby increasing the depreciation cost of our assets and harming our profitability. Possible reasons include, but are not limited to, delayed regulatory approvals, shifts in market demand, and the emergence of successful competing products. Multiple cancellations, non-renewals, or renewals on less favorable terms of significant contracts could have a material adverse effect on our business, results of operations, and financial condition.

In addition, clinical development is a high-risk endeavor, as the results of preclinical studies and early clinical trials may not be predictive of the success of later-phase clinical trials, and favorable initial or interim results do not necessarily predict successful final outcomes. Even if a client's drug candidate demonstrates promising safety and efficacy in preclinical studies and early clinical trials, subsequent clinical trials may fail to meet primary endpoints or be terminated due to unforeseen factors. These include, but are not limited to, variability in patient populations, insufficient dosage optimization, or unexpected adverse reactions when used in combination with other therapies. Such scientific setbacks or serious adverse events may lead customers to suspend or terminate projects on short notice. Multiple cancellations or failures of this nature could result in significant order losses and the inability to recover our initial resource investments, thereby materially affecting our revenue and business.

A payment delay or failure by any of our large customers could materially and adversely affect our cash flows and profitability.

We generally grant our customers a credit term ranging from 30 to 90 days. As of December 31, 2023, 2024 and 2025, our trade receivables were RMB163.0 million, RMB217.4

million and RMB232.1 million, respectively. If any of our large customers' cash flow, working capital, financial condition or results of operations deteriorates, such customer may be unable, or it may otherwise be unwilling, to pay trade receivables owed to us promptly or at all. Any substantial default or delay of a customer's payment obligations may materially and adversely affect our working capital, financial condition and results of operations.

Failure to fulfill our obligations related to our contract liabilities could adversely affect our results of operations, liquidity and financial position.

Our contract liabilities represented advances from customers and billings in excess of revenue recognized, primarily arising from the timing difference between our milestone-based billing schedules and the satisfaction of performance obligations under our CDMO service contracts. As of December 31, 2023, 2024 and 2025, our contract liabilities amounted to RMB113.1 million, RMB105.9 million and RMB193.2 million, respectively. There can be no assurance that we will be able to fulfil our obligations in respect of our contract liabilities, as the fulfilment of our performance obligations is subject to various factors beyond our control. If we are unable to fulfil our obligations with respect to our contract liabilities, such amounts may not be recognized as revenue and we may be required to refund advance payments received from our customers. As a result, our liquidity and financial condition could be adversely affected.

We rely on a stable and adequate supply of quality raw materials from our suppliers, and any price increases or supply interruptions could materially and adversely impact our business.

Our business operations require a substantial amount of raw materials, chemical compounds and consumable materials. During the Track Record Period, our key raw materials and consumables included cell culture media and feeds, chromatography resins, filtration membranes, single-use bioprocess components, buffer and process chemicals, formulation excipients, primary packaging materials and, for ADC projects, linker/payload and related reagents. In 2023, 2024 and 2025, our cost of raw materials accounted for approximately 36.0%, 29.5% and 34.4% of our total cost of sales, respectively. We generally source these raw materials, chemical compounds and consumable materials locally. Most of the materials required by us are readily available from multiple sources. If our suppliers do not supply raw materials on a timely basis at reasonable prices, we may be unable to manufacture products for our customers. A sustained disruption in the supply chain involving multiple customers or vendors could have a material adverse effect on our results of operations.

Furthermore, suppliers may fail to provide us with raw materials and other components that meet the qualifications and standards required by us or our customers. If suppliers are not able to provide us with products that meet our or our customers' specifications on a timely basis, we may be unable to manufacture products, or products may be available only at a higher cost or after a long delay, which could prevent us from delivering products to our customers within required timeframes. Any such inability to manufacture products or any delay in delivering our products may create liability for us to our customers for breach of contract or cause us to experience order cancellations and loss of customers. In the event that we manufacture products with inferior quality, we may become subject to product liability or warranty claims caused by defective raw materials or components from a supplier, or our customer may be required to recall its products from the market.

The discontinuation of any of the financial incentives currently available to us in China could adversely affect our financial position and results of operations.

Since our inception, we have benefited from government grants and subsidies. In 2023, 2024 and 2025, we recorded under other income RMB9.0 million, RMB2.2 million and RMB14.9 million of government grants, respectively. We also enjoyed certain preferential tax treatment during the Track Record Period. Our eligibility to receive these financial incentives requires that we continue to qualify for them. The incentives are subject to the discretion of the central government or relevant local government authorities, which could determine at any time to eliminate or reduce these financial incentives, generally with prospective effect. Since our receipt of the financial incentives is subject to periodic time lags and inconsistent government practice, as long as we continue to receive these financial incentives, our financial performance in a particular period may be higher or lower relative to other periods depending on the potential changes in these financial incentives in addition to any business or operational factors that we may otherwise experience. The discontinuation of financial incentives currently available to us could have a material adverse effect on our financial condition, results of operations, cash flows and prospects.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our properties as of April 30, 2026 prepared by AVISTA Valuation Advisory Limited, an independent property valuer, are set forth in the Report set out as Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

We are exposed to risks associated with concentration of customers.

We derived a substantial portion of our revenue from a relatively small number of customers during the Track Record Period and expect to continue to do so in the near future. For example, revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB224.4 million, RMB175.4 million and RMB269.9 million in 2023, 2024 and 2025, respectively, representing 49.3%, 40.5% and 55.8% of our total revenue for the respective years. Revenue generated from our largest customer in each year during the Track Record Period amounted to RMB114.9 million, RMB43.0 million and RMB162.4 million in 2023, 2024 and 2025, respectively, representing 25.3%, 9.9% and 33.6% of our total revenue for the respective years. See "Business — Our Customers" for further details. We cannot assure you that we will be able to maintain or strengthen our relationships with our major customers, or that they will continue to enter into long-term collaboration agreements or place large work orders with us. If there is any significant cutback in the spending on our services by our major customers due to industry competition, deterioration of their financial conditions, procurement budget cuts, denial or delayed regulatory approvals or other reasons, and we are unable to obtain work orders or service contracts of a comparable size and on similar terms from other customers as replacements, our business, financial condition and results of operations may be materially and adversely affected.

Our customer agreements may contain provisions that run counter to our interests or expose us to potential liability.

Our long-term service agreements generally provide that a customer can terminate the agreement or any work order under the agreement without cause by giving prior written notice. Many of our project-based service contracts also allow customers to unilaterally terminate the contract without cause by giving prior written notice. If a customer terminates a work order or project-based service contract without cause, typically we are only entitled to receive service fees for work already performed, without prejudice to accrued rights and remedies. For more information, see "Business — Our Customers." Therefore, cancellation or modification of a large work order or project-based service contract, or proximate cancellation or modification of multiple smaller work orders or project-based service contracts, could materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be able to continue to serve our customers if we fail to meet our customers' standards in audits and inspections.

Our customers regularly audit and inspect our facilities, processes and practices to ensure that our services are meeting their standards in the biologics development and manufacturing process. However, we cannot assure you that we will be able to pass all the customer audits and inspections. Failure to pass any of these audits or inspections to our customers' satisfaction could significantly harm our reputation and result in the termination of ongoing biologics projects by our customers, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In conducting biologics development and manufacturing, we face potential liabilities, in particular, product liability risks that may expose us to substantial claims.

In providing our services, we face a range of potential liabilities. In particular, we may face product liability risks if the biologics we help to develop or manufacture are subject to product liability claims. Our liability may not be always capped under our long-term service agreements or project-based service contracts. We provide services in the development and manufacturing of biologics that are intended ultimately to be used in humans, either in clinical trials or as marketed products, although we do not commercially market or sell these products to end users. If any of these biologics harms people due to our negligence, willful misconduct, unlawful activities or material breach, we may be subject to litigation and may be required to pay damages. Damages awarded in a product liability action could be substantial and could have a material and adverse impact on our reputation, business, financial condition, results of operations and prospects. Although we currently maintain product liability insurance, our insurance coverage may be inadequate or may become unavailable on terms acceptable to us.

Our reputation is key to our business success. Negative publicity may materially and adversely affect our reputation, business and growth prospects.

Any negative publicity concerning us, our affiliates or any entity that shares the "Intellective Bio" name, even if untrue, could adversely affect our reputation and business prospects. We cannot assure you that negative publicities about us or any of our affiliates or any entity that shares the "Intellective Bio" name would not damage our brand image or have a material adverse effect on our business, results of operations and financial condition. In addition, in light of our specialized customer base, customer referrals and word-of-mouth marketing have significantly contributed to our ability to acquire customers. As a result, any

negative publicity about us or any of our affiliates or any entity that shares the "Intellective Bio" name could adversely affect our ability to retain our existing customers or attract new customers.

Illegal actions, misconduct, or any failure by our suppliers could result in potential liabilities and materially and adversely affect our business, financial condition and results of operations.

We have established supplier management processes, including qualification procedures, ongoing performance monitoring and compliance reviews, however, our suppliers remain outside of our direct control. Their illegal actions, misconduct or unsatisfactory performance may still harm our reputation, financial condition and results of operations. We caution that we cannot guarantee our suppliers will comply with applicable laws, and any non-compliance may result in claims against us. In addition, failure by our suppliers to ensure the high quality of their goods and services could interrupt our operations. Such circumstances may give rise to claims and could materially affect our business, reputation, financial condition and results of operations.

In the event that we suffer claims caused by illegal actions, misconduct or any failure by our suppliers, we may attempt to seek compensation from the relevant parties. However, we may ultimately have to bear such losses and compensation ourselves if no claims can be asserted against a supplier, or if the amounts we claim cannot be fully recovered from the supplier or subcontractor. This could have a material adverse effect on our business, financial condition, results of operations and reputation.

We may not be successful in protecting our customers' or our own intellectual property.

Our success depends on the protection of our customers' and our own intellectual property. We rely on our own know-how, trade secrets and other intellectual property to carry out our biologics CDMO services. In addition, due to the nature of our services, we typically have access to a significant amount of intellectual property and confidential technical information owned by or licensed to our customers. Our customers typically retain ownership of all intellectual property associated with their projects, including the intellectual property provided to us and the intellectual property arising from the services we provide, except that we retain certain independently developed improvements derived from our own pre-existing intellectual property, methods or self-funded service processes.

Despite the measures we take to protect our customers' or our own intellectual property, unauthorized parties may attempt to obtain and use them. Failure to protect our customers' intellectual property may subject us to liability for breach of contract, as well as significantly damage our reputation, which is fundamental to our business. Failure to protect our own intellectual property may severely disrupt our business operation and reduce or eliminate any competitive advantage we have developed. Either could materially harm our business, financial condition, results of operations and prospects, and any remediation may significantly divert management's attention and resources from other activities.

Our services and our customers' products may infringe on or misappropriate the intellectual property rights of third parties.

We cannot be certain that we do not infringe on the intellectual rights of third parties. Any claims that our services infringe third parties' rights, including claims arising from our contracts with our customers, regardless of their merit or resolution, could be costly and may divert the

efforts and attention of our management and technical personnel. We may not prevail in such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If such proceedings result in an adverse outcome, we could be required, among other things, to pay substantial damages, discontinue the use of the infringing technology, expend significant resources to develop non-infringing technology, license such technology from the third party claiming infringement (which license may not be available on commercially reasonable terms or at all) and/or cease the manufacture, use or sale of the infringing processes or offerings, any of which could have a material adverse effect on our business.

In addition, our customers' products may be subject to claims of intellectual property infringement and such claims could materially affect our business if their products cease to be manufactured and they have to discontinue the use of the infringing technology which we may provide. Any of the foregoing could affect our ability to compete or could have a material adverse effect on our business, financial condition and results of operations.

Our future investments, acquisitions or strategic partnerships may not achieve the intended benefits and could have a material adverse effect on our business, financial condition and results of operations.

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

If we cannot identify, execute or successfully integrate acquisitions or strategic investments, we may incur significant costs, distraction and integration challenges. Any such failure could disrupt our business and materially and adversely affect our reputation, financial condition, results of operations and prospects.

We are subject to environmental protection and health and safety laws and regulations and may be exposed to potential costs for compliance and liabilities, including consequences of accidental contamination, biological hazards or personal injury.

Our past and present business operations are subject to national and local laws and regulations of the PRC pertaining to protection of the environment and health and safety, including but not limited to the treatment and discharge of pollutants into the environment and the use of highly toxic and hazardous chemicals in our biologics development and manufacturing process. In addition, our construction projects can only be put into operation after the relevant administrative authorities in charge of environmental protection and health and safety have examined and approved the relevant facilities. Any failure by us to control the use or discharge of hazardous substances could have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, we cannot fully eliminate the risk of accidental contamination, biological hazards or personal injury at our facilities during the biologics development and manufacturing process. In the event of such accident, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could harm our business. Other adverse effects could result from such liability, including reputational damage resulting in the loss of business from customers. We may also be forced to close or suspend operations at certain of our affected facilities temporarily, or permanently. As a result, any accidental contamination, biological hazards or personal injury could have a material and adverse impact on our business, financial condition, results of operations and prospects.

Any future litigation, legal disputes, claims or administrative proceedings against us could be costly and time-consuming to defend.

We may become, from time to time, subject to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activity. Actions brought against us, with or without merit, may result in the imposition of administrative measures, settlements, injunctions, fines, penalties, negative publicity, or other results that could have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects. Even if we are successful in defending ourselves against these actions, we may incur significant costs and divert management's attention and resources in such defense. During the Track Record Period, we were not involved in any material litigation, legal disputes, claims or administrative proceedings.

Our insurance might not cover claims brought against us, or might not provide sufficient payments to cover all of the costs to resolve one or more such claims and might not continue to be available on terms acceptable to us. In particular, any claim could result in unanticipated liability to us if the claim is outside the scope of the indemnification arrangement we have with our customers, our customers do not abide by the indemnification arrangement as required, or the liability exceeds the amount of any applicable indemnification limits or available insurance coverage. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material adverse effect on our financial condition, results of operations or reputation.

Any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.

We maintain insurance policies to support our operations and manage potential risks. These include all-risks property insurance, machinery breakdown insurance, employers' liability insurance, work safety liability insurance, public liability insurance, product liability insurance and erection all-risks insurance, among others. However, our insurance coverage may be insufficient to cover all claims, and we cannot assure you that there will not be claims against us in the future which are beyond our insurance coverage. Any liability or damage caused by or relating to our facilities or personnel that exceeds our insurance coverage may result in substantial costs and a diversion of our resources.

We are subject to risks associated with our leased properties.

According to applicable PRC laws and regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. If the filing is not made, the governmental authorities may require that the filing be made within a stated period of time, failing which they

may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. As of the Latest Practicable Date, we had not registered eight lease agreements with the relevant government authorities. According to applicable PRC administrative regulations, lessors of the related leases need to provide us with certain documents (such as their business licenses or identification information) in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings within the period required by the relevant governmental authorities and the relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, the aggregate amount of maximum fine will be approximately RMB80,000.

In addition, we cannot assure you that the lessors of our current or future leased properties have all the valid title or legal rights to such leased properties or have complied with all the necessary property leasing procedures at all times. In addition, as our leases expire, we may fail to obtain renewals, either on commercially acceptable terms or at all, which could compel us to close such offices or facilities, or to seek for new leases. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

Our failure to fully comply with labor-related laws may expose us to potential penalties.

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make social insurance and housing provident fund contributions for their employees, and entities failing to make such contributions may be ordered to settle the outstanding contributions within a prescribed time limit and subject to late payments or fines.

During the Track Record Period and up to the Latest Practicable Date, we had not made full social insurance and housing provident fund contributions for our PRC employees as required under the relevant PRC laws and regulations. If the relevant PRC authorities determine that we shall make supplemental social insurance and housing fund contributions or that we are subject to fines and legal sanctions in relation to our failure to make social insurance and housing fund contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

Pursuant to the Notice of the General Office of the State Administration of Taxation on the Work Relating to the Collection and Administration of Social Insurance in a Steady and Orderly Manner (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) issued by the General Office of the State Administration of Taxation on September 13, 2018 and the Notice of the State Administration of Taxation on Implementing the Several Measures to Further Support and Serve the Development of the Private Economy (《國家税務總局關於實施進一步支持和服務民營經濟發展若干措施的通知》) issued by the State Taxation Administration on November 16, 2018, local governmental authorities are prohibited from requiring enterprises to make a one-off repayment of historically underpaid or unpaid social insurance contributions.

During the Track Record Period and as of the Latest Practicable Date, no administrative penalties or enforcement actions had been imposed on us by the relevant regulatory authorities in connection with our social insurance and housing provident fund contributions. We also had not received any notice or demand from the authorities requiring us to rectify any shortfall in these contributions. We had not received any material complaints from our employees regarding our social insurance and housing provident fund contributions. We also had no disputes or disagreements with the relevant regulatory authorities. We undertake to settle any outstanding

contributions and related overdue charges upon receipt of a formal request from the relevant government authorities or in the event of a formal complaint from our employees. Based on the foregoing, our PRC Legal Advisor is of the view that, assuming that there are no material changes to the current laws and regulations and the practice in regulatory policies implementation and inspection of local governments concerning social insurance and housing provident fund, in the absence of material employee complaints, and further subject to the competent authorities' discretion, the risk of our Group being required to make contribution of unpaid social insurance premium and housing provident fund or being subject to material administrative penalties for failure to make full social insurance contributions and housing provident fund contributions is remote.

However, we cannot assure you that the competent authorities will not require us to rectify any non-compliance by making contribution of unpaid social insurance premium and housing provident fund or impose fine or penalty related thereto, under which circumstances our financial condition and results of operations may be adversely affected.

Our facilities may be exposed to risks such as electricity shortages, natural disasters, or other unforeseen catastrophic events, any of which could disrupt our operations.

We conduct our biologics development and manufacturing activities in our facilities located in Suzhou, PRC. We depend on these facilities for continued business operations. Natural disasters or other unanticipated catastrophic events that affect our facilities, including power interruptions, water shortages, storms, fires, earthquakes, terrorist attacks and wars, could significantly impair our ability to operate our business. Our facilities and certain equipment located in these facilities would be difficult to replace in any such event and could require substantial replacement lead time and cost. The occurrence of any such event could materially and adversely affect our business operations.

RISKS RELATING TO GOVERNMENT REGULATIONS

Changes in China's economic, political and social conditions could adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operations may be influenced by the general political, economic and social conditions in China, where we operate and conduct our R&D activities. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The biologics CDMO industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, consumer demand and discretionary spending. Any changes in these factors may have material and adverse effect on our business, financial condition and prospects.

Fluctuations in exchange rates may result in foreign exchange losses and adversely impact our profitability.

During the Track Record Period, substantially all of our expenditures were denominated in Renminbi, and substantially all of our financial assets were also denominated in Renminbi. Any significant change in the exchange rate of the Hong Kong dollar against the Renminbi may materially and adversely affect our cash flows, earnings and financial position, as well as the value of, and any dividends payable on, our H Shares in Hong Kong dollars. For instance, an appreciation of the Renminbi against the Hong Kong dollar would increase the cost of any new

Renminbi-denominated investments or expenditures to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of the Renminbi would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar-denominated financial assets, including the **[REDACTED]** from the **[REDACTED]**, into Renminbi, which is the functional currency of our business operations in China. Conversely, if we convert Renminbi into Hong Kong dollars for the purpose of paying dividends on our Shares or for other business needs, any depreciation of the Renminbi against the Hong Kong dollar would negatively affect the value of, and any dividends payable on, our H Shares.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past we had acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material respects and had established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. Such adjustments or changes, together with any uncertainty resulting therefrom, could have an adverse effect on our business, financial condition and results of operations.

It may be difficult to effect service of process upon us or our Directors and management that reside in China or to enforce against them or us in China any judgments obtained from foreign courts.

We are a company incorporated under the laws of the PRC, and substantially all of our assets are located in China. In addition, substantially all of our Directors and senior management reside within the PRC.

The PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States and many other countries. Consequently, it may be difficult for you to enforce against us or our Directors and senior management in China any judgements obtained from non-PRC courts.

On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**2006 Arrangement**"). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and

Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**") and the 2019 Arrangement was issued on January 25, 2024 and became effective on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect.

We are subject to risks associated with doing business globally.

During the Track Record Period, we generated a limited portion of our revenue from customers located in foreign countries and regions. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in those foreign countries and regions. Against this backdrop, China's political relationships with those foreign countries and regions may affect the demand for our services and our ability to serve foreign customers or joint venture customers set up by foreign companies. There can be no assurance that such customers will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may cause a decline in the demand for our services and adversely affect our business, financial condition and results of operations.

Recently, trade frictions continue between the United States and China. Tensions in trade relations between the United States and China could delay the global economic recovery in recent years, threatening the ongoing economic development and the increasing cross-border transactions trend. For instance, the BIOSECURE Act as Sec. 851 of the FY26 National Defense Authorization Act, which was signed into a law in December 2025, reflect escalating focus on, among others, China's pharmaceutical outsourcing service industry. We cannot assure you that we will not be negatively influenced by the trade frictions between the United States and China as well as by adverse changes in U.S. laws and regulations toward diplomatic relations. As a result, our business, financial condition, results of operations and business prospects could be materially and adversely affected.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our Shares and an active [REDACTED] for our H Shares may not develop or be sustained.

No public market currently exists for our Shares. The initial **[REDACTED]** for our Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the market price of the Shares following the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]**, the H Shares to be converted from the **[REDACTED]** Shares and the H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** (including any H Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**).

We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares may not be indicative of the **[REDACTED]** price of our H Shares following the completion of the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our H Shares could be materially and adversely affected.

The price and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The price and **[REDACTED]** of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and **[REDACTED]** of our H Shares. In addition to market and industry factors, the price and **[REDACTED]** of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of our H Shares is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of our H Shares in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** adjusted consolidated net tangible asset. There can be no assurance that if we were to immediately liquidate after the **[REDACTED]**, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider **[REDACTED]** and issuing additional H Shares in the future. In addition, purchasers of our H Shares may experience further dilution of their interest if the **[REDACTED]** exercise the **[REDACTED]** or if we issue additional shares in the future to raise additional capital.

Future sales or perceived sales of our H Shares in the public market by major Shareholders following the [REDACTED] could materially and adversely affect the price of our H Shares.

Future sales or perceived sales by our existing Shareholders of our H Shares after the **[REDACTED]** could result in a significant decrease in the prevailing market price of our H Shares. Only a limited number of our H Shares currently outstanding will be available for sale or issuance immediately after the **[REDACTED]** due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders.

We adopted the Pre-**[REDACTED]** Share Incentive Scheme to ascertain the contribution made by our employees to our Group, incentivize our Directors, employees and other eligible participants to enhance the competitiveness of our Group to ensure realization of our Group's future development strategy and business targets. For details, please refer to "Statutory and General Information — D. Pre-**[REDACTED]** Share Incentive Scheme" in Appendix V to this document. To further incentivize our management and key employees, we may grant additional share-based

compensation in the future. Expenses incurred with respect to such share-based payments may increase our operating expenses and therefore have an adverse effect on our financial performance. Issuance of additional Shares with respect to such share-based payments may also dilute the shareholding percentage of our existing Shareholders.

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interest of our other shareholders.

Immediately upon the completion of the **[REDACTED]** without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**, our Controlling Shareholders will collectively control approximately **[REDACTED]**% of our Company's enlarged share capital. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

There can be no assurances that we will declare and distribute any amount of dividends in the future.

Under PRC laws and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. See "Financial Information — Dividends" for further details of our dividend.

Moreover, our operating subsidiaries in China may not have distributable profit as determined under PRC GAAP. Accordingly, we may not receive sufficient distributions from our subsidiaries for us to pay dividends. Failure by our operating subsidiaries to pay us dividends could adversely impact our ability to make dividend distributions to our Shareholders and our cash flow, including periods in which we are profitable.

In addition, there can be no assurances that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors depending on, among other considerations, our operations, earnings, financial condition, cash requirements and availability, our constitutional documents and applicable law.

Restrictions on the remittance of Renminbi into and out of the PRC and governmental control of currency conversion may limit our ability to pay dividends and meet other obligations, and may affect the value of your [REDACTED].

Procedures on the remittance of Renminbi into and out of the PRC are required under the relevant PRC laws and regulations. A significant portion of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in the availability of foreign currency to us may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy our foreign currency denominated obligations.

Under the relevant PRC laws and regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from China's State Administration of Foreign Exchange (SAFE), but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

Facts, forecasts and statistics obtained from official government sources in this document relating to the pharmaceutical industry may not be fully reliable.

Facts, forecasts and statistics in this document relating to the biologics CDMO industry in and outside China are obtained from various sources, comprising information provided or published by government agencies. We can guarantee neither the quality nor reliability of any source materials from official government policies. We have no reason to believe that information from official government sources is false or misleading or that any fact has been omitted that would render information from official government sources false or misleading. However, neither we, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, and the **[REDACTED]** nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from official governmental sources. Therefore, we make no representation as to the accuracy of such facts, forecast and statistics.

This document contains forward-looking statements relating to our plans, objectives, expectations and intentions, which may not represent our actual performance for the periods of time to which such statements relate.

This document contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate," "believe," "could," "estimate," "expect," "may," "ought to," "should" or "will" or similar terms. Those statements include, among other things, the discussion of our Company's growth strategy and expectations concerning our future operations, liquidity and capital resources. **[REDACTED]** of the H Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Company's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by our Company that our plans or objectives will be achieved and **[REDACTED]** should not place undue reliance on such

forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to "Forward-looking Statements" in this document for further details.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].

There had been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the **[REDACTED]**, press and media coverage regarding us and the **[REDACTED]**. We have not authorized the disclosure of any information concerning the **[REDACTED]** in the press or media. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong in making your **[REDACTED]** decision regarding our H Shares. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the **[REDACTED]**.

In preparation for the **[REDACTED]**, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

The headquarters, senior management and business operations of our Group are primarily based, managed and conducted outside Hong Kong. None of our executive Directors ordinarily resides in Hong Kong. As our executive Directors and senior management play very important roles in our business operations, we consider that it is in the best interest of our Company for them to be based in the place where our Group has significant operations. As such, our Company does not, and will not for the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(a) we have appointed Ms. Huang Qiong (黃瓊) ("**Ms. Huang**"), our executive Director, and Ko Pui Yu (高貝茹) ("**Ms. Ko**"), our joint company secretary, as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. Our authorized representatives will act as our principal channel of communication with the Stock Exchange. They will be readily contactable by phone, email, and/or facsimile to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives;

(b) when the Stock Exchange wishes to contact our Directors on any matter, our authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Stock Exchange with contact details of all Directors to facilitate communication with the Stock Exchange. Furthermore, to the best of our knowledge and information, all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange; and

(c) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor upon the **[REDACTED]** pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the **[REDACTED]** and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**. The Compliance Advisor will have access at all times to our authorized representatives, Directors and senior management, and will act as an additional channel of communication with the Stock Exchange when our authorized representatives are not available.

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary of an issuer must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience":

(a) length of employment with the issuer and other issuers and the roles he or she played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company was established in the PRC, and we primarily conduct business activities in the PRC. All our Directors and senior management who are familiar with our activities and have extensive experience in board and corporate management matters presently do not possess any of the qualifications under Rule 3.28 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules.

We have appointed Ms. Huang and Ms. Ko, as our joint company secretaries. Although Ms. Huang does not possess the qualifications set out in Rule 3.28 of the Listing Rules, we would like to appoint her as a joint company secretary due to her extensive experience in corporate governance matters and her familiarity with our operations and management. For the biographical information of Ms. Huang and Ms. Ko, see "Directors and Senior Management."

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Huang as our joint company secretary. Pursuant to Chapter 3.10 of the Guide, the waiver will be for a three-year period from the **[REDACTED]** (the "**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience required under Rule 3.28 of the Listing Rules (the "**Qualified Person**") and is appointed as a joint company secretary throughout the Waiver Period, and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Ms. Ko, a Qualified Person, as a joint company secretary to provide assistance to Ms. Huang during the Waiver Period so as to enable Ms. Huang to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge her duties. Given Ms. Ko's professional qualifications and experience, she will be able to explain to both Ms. Huang and our Company the relevant requirements under the Listing Rules. Ms. Ko will also assist Ms. Huang in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Ko is expected to work closely with Ms. Huang, and will maintain regular contact with Ms. Huang, our Directors and senior management. In addition, Ms. Huang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the Waiver Period. Ms. Huang will also be assisted by (i) the Compliance Advisor, particularly in relation to compliance with the Listing Rules; and (ii) the Hong Kong legal advisor of our Company on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations. The waiver will be revoked with immediate effect if Ms. Ko ceases to provide assistance to Ms. Huang during the Waiver Period or there are material breaches of the Listing Rules by our Company. If Ms. Ko ceases to be a joint company secretary before the end of the Waiver Period, our Company will seek another waiver from the Stock Exchange in relation to appointing another Qualified Person as a replacement.

We will liaise with the Stock Exchange before the end of the Waiver Period to enable it to assess whether Ms. Huang, having had the benefit of Ms. Ko's and, if applicable, another Qualified Person's assistance for three years, has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Li Zhi (李智)	Room 1701, Unit 1, Building 17 Oudian Garden, Suzhou Industrial Park Wuzhong District, Suzhou Jiangsu Province, PRC	Chinese
Dr. Zhuge Xin (諸葛鑫)	Room 408, Building 4, Huangtiandang Xincun, Suzhou Industrial Park Suzhou, Jiangsu Province, PRC	Chinese
Dr. Liang Kexue (梁克學)	Room 401, Building 7, Xishangyayuan No. 6 Weiguan Road Suzhou Industrial Park, Suzhou Jiangsu Province, PRC	Chinese
Ms. Huang Qiong (黃瓊)	Room 2002, Building 121 Houwan Garden No. 111 Yongqing Road Xiangcheng District, Suzhou Jiangsu Province, PRC	Chinese
Non-executive Director		
Mr. Wang Jianfei (汪劍飛)	9-1-201 Phase 2 of Latitude 40 North Laiguangying, Chaoyang District Beijing PRC	Chinese
Mr. Sun Linghao (孫凌皓)	No. 438, Chuntiao Road Pudong New Area Shanghai, PRC	Chinese
Independent Non-executive Directors		
Mr. He Yong (何勇)	Room 104, Building 19 South Area of Cissey Mansion Xinli, Daxing District Beijing, PRC	Chinese
Ms. Chan Yee Man (陳綺文)	Flat B, 23/F, Tower 2A Villa Garda II, Lohas Park Tseung Kwan O, New Territories Hong Kong	Chinese (Hong Kong)

Name	Address	Nationality
Mr. Yin Wenping (尹文平)	Room 2902, Building E Guanlan Rose Garden No. 396 Guanlan Avenue Longhua District, Shenzhen Guangdong Province, PRC	Chinese

For further details of our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator [REDACTED]	**Dongxing Securities (Hong Kong) Company Limited** Room 7503B—7505, 75/F International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Overall Coordinator [REDACTED]	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
[REDACTED]	**[REDACTED]** **[REDACTED]**
Legal Advisors to our Company	*As to Hong Kong law:* **Cooley HK** 35/F, Two Exchange Square 8 Connaught Place Central Hong Kong

	As to PRC law: **JunHe LLP** 26/F, HKRI Centre One HKRI Taikoo Hui 288 Shimen Road (No.1) Shanghai PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **JINGTIAN & GONGCHENG LLP** Suites 3203—3209, 32/F Edinburgh Tower, The Landmark 15 Queen's Road Central Hong Kong *As to PRC law:* **Jingtian & Gongcheng** Suite 45/F, K.Wah Centre 1010 Huaihai Road (M) Xuhui District Shanghai PRC
Reporting Accountants and Independent Auditor	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Rooms 2504—2505, Wheelock Square 1717 Nanjing West Road Shanghai PRC
Compliance Advisor	**Rainbow Capital (HK) Limited** Office No. 710 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong

Independent Property Valuer	**Avista Group** Suites 2401—06, 24/F Everbright Centre, No. 108 Gloucester Road Wan Chai Hong Kong
[REDACTED]	**[REDACTED]**

Registered Office, Head Office and Principal Place of Business in the PRC	No. 96 Yinhe Road Changshu, Suzhou Jiangsu Province PRC
Principal Place of Business in Hong Kong	Rooms 2917—2918, 29/F Shun Tak Centre China Merchants Tower 168—200 Connaught Road Central Hong Kong
Company's Website	**www.intellectivebio.com** *(The information contained on this website does not form part of this document)*
Joint Company Secretaries and Authorized Representatives	**Ms. Huang Qiong (黃瓊)** No. 96 Yinhe Road Changshu, Suzhou Jiangsu Province PRC **Ms. Ko Pui Yu (高貝茹)** *(ACG, HKACG)* Room 1915, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Mr. Yin Wenping (尹文平) *(Chairperson)* Ms. Chan Yee Man (陳綺文) Mr. Wang Jianfei (汪劍飛)
Nomination Committee	Ms. Chan Yee Man (陳綺文) *(Chairperson)* Mr. He Yong (何勇) Mr. Li Zhi (李智)
Remuneration and Appraisal Committee	Mr. He Yong (何勇) *(Chairperson)* Ms. Huang Qiong (黃瓊) Mr. Yin Wenping (尹文平)
[REDACTED]	**[REDACTED]**

Principal Banks

Agricultural Bank of China Limited, Changshu Southeast Economic Development Zone Sub-branch
No. 99 Yinhuan Road
Southeast Development Zone Changshu, Suzhou
Jiangsu Province, PRC

Agricultural Bank of China Limited, Suzhou Area of Jiangsu Pilot Free Trade Zone Sub-branch
No. 9 Cuiwei Street
Suzhou Industrial Park, Suzhou
Jiangsu Province, PRC

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

OVERVIEW OF THE BIOLOGICS INDUSTRY

Biologics refer to medicinal products manufactured using biological technologies, starting from raw materials such as microorganisms, cells, animal or human tissues and body fluids, and intended for the prevention, treatment, and diagnosis of human diseases. Compared with chemical drugs, biologics typically feature more complex and heterogeneous structures, lower stability and greater sensitivity to external conditions, and potential immunogenicity, and are therefore highly dependent on the manufacturing process.

Biologics can be further divided into multiple categories, including antibody drugs, recombinant protein drugs, vaccines and cell therapy products. With advancements in genetic engineering, cell engineering, and protein engineering technologies, biologics have become one of the most dynamic sectors in innovative drug research and development as well as market growth.

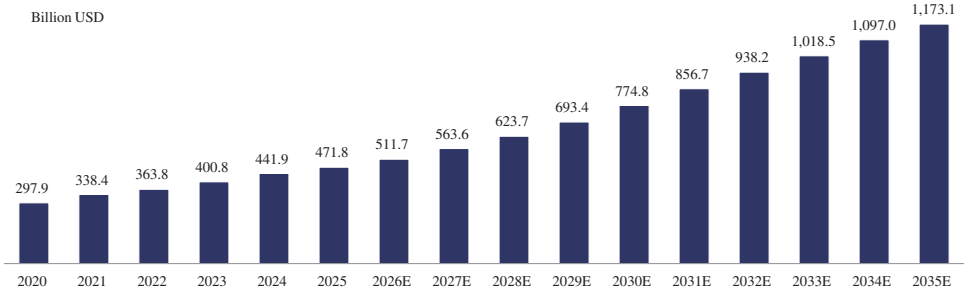
Overview of the Global Biologics Market

Driven mainly by population aging and longer life expectancy, increasing therapeutic applications, improving affordability and expanding patient access, the global biologics market has demonstrated consistent growth from 2020 to 2025 and is projected to continue expanding through 2035. The market size grew from US$297.9 billion in 2020 to US$471.8 billion in 2025, with a CAGR of approximately 9.6% during this historical period. Such growth is expected to continue, and the total market size is forecasted to reach US$774.8 billion by 2030, reflecting a CAGR of about 10.4% from 2025 to 2030, and further to US$1,173.1 billion by 2035, corresponding to a CAGR of roughly 8.6% from 2030 to 2035.

The following chart sets forth the global biologics market size by sales revenue.

Global Biologics Market Size and Forecast, 2020—2035E

Period	CAGR
2020–2025	9.6%
2025–2030E	10.4%
2030E–2035E	8.6%



Source: Frost & Sullivan

In addition to the growth in sales revenue, biologics' share in the global pharmaceutical market has also been rising. Biologics increased their share within the overall global pharmaceutical market from 22.9% in 2020 to 29.4% in 2025, and are projected to reach 46.2% by 2035, reflecting the growing role and expanding importance of biologics globally. Blockbuster product sales further highlight biologics' commercial importance. In 2025, the global top 10 drugs by sales revenue generated a combined US$180.0 billion. Among these top 10 drugs, seven were biologics. Key examples include Keytruda (US$31.7 billion) and Mounjaro (US$23.0 billion), alongside other major biologics such as Ozempic, Dupixent, Darzalex and Zepbound. These biologics span multiple therapeutic areas, including oncology, immune-mediated diseases and large chronic indications such as metabolic disorders (diabetes/obesity). The steady expansion of established biologic segments, together with the emergence of next-generation modalities, indicates that biologics are playing an increasingly important role in the global pharmaceutical market, both in terms of market share and product diversity.

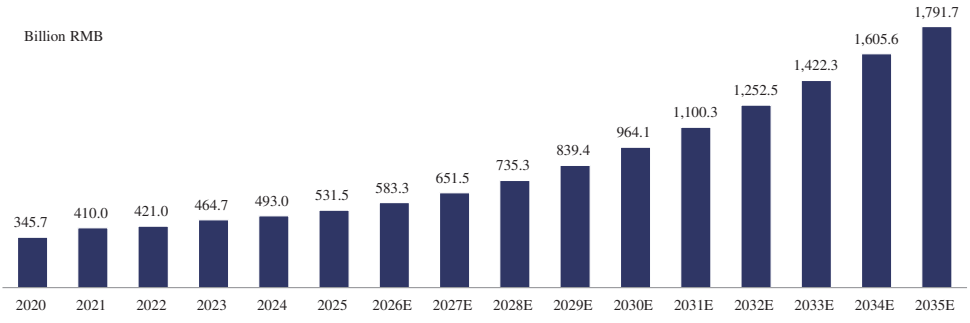
Overview of the China Biologics Market

China's biologics market has witnessed rapid growth in recent years, increasing from RMB345.7 billion in 2020 to RMB531.5 billion in 2025, achieving a CAGR of 9.0% during this period. Driven by expanding patient access, improving affordability, and continuous therapeutic innovation, the market is projected to reach RMB964.1 billion by 2030, representing a CAGR of 12.7% from 2025 to 2030. Further growth is anticipated, with the market expected to expand to RMB1,791.7 billion by 2035, corresponding to a CAGR of 13.2% during 2030 and 2035.

The following chart sets forth the China biologics market size by sales revenue.

China Biologics Market Size and Forecast, 2020—2035E

Period	CAGR
2020–2025	9.0%
2025–2030E	12.7%
2030E–2035E	13.2%



Source: Frost & Sullivan

China's biologics market growth is underpinned by multiple structural drivers and is expected to remain supported over the long term. On the demand side, accelerated population aging and the expanding patient pool for oncology and autoimmune diseases are driving sustained demand for long-term and effective therapies, with biologics increasingly replacing small-molecule drugs and becoming standard-of-care across multiple indications, while emerging biologics continue to address unmet clinical needs and broaden application scenarios. On the policy front, accelerated approval pathways, priority review mechanisms and increasing alignment with international regulatory systems are shortening time-to-market for innovative

biologics, and the maturing NRDL negotiation and dynamic adjustment mechanism is reducing the time from approval to launch and market expansion, due to commercialization predictability. In addition, a growing number of biologics are advancing into clinical and late-stage development, and novel and complex modalities such as bispecific antibodies and antibody-drug conjugates (ADCs) are becoming major incremental growth drivers as they demonstrate improved clinical efficacy and gain broader adoption. China's biologics sector is also rapidly internationalizing, with out-licensing activity accelerating in both volume and value, and an increasing number of leading biotech companies moving beyond single-asset licensing toward building independent global clinical development and commercialization capabilities. Meanwhile, the biologics industrial chain is becoming more complete, with specialized services such as contract development and manufacturing organizations (CDMOs) strengthening development and manufacturing efficiency and supporting greater scalability, cost efficiency and regulatory standardization.

Value Chain of the Biologics Industry

The biologics industry value chain is typically structured into three segments: upstream raw material supply and technology service platforms, midstream drug development and manufacturing companies, and downstream clinical application and commercialization.

- ***Upstream.*** The upstream segment of the biologics market comprises suppliers of cell culture media, reagent consumables, expression systems, bioreactor equipment, and preclinical model and tool platforms, which together form the foundational infrastructure supporting R&D and manufacturing efficiency.

- ***Midstream.*** The midstream segment of the biologics market includes companies developing and producing therapeutic biologics, as well as CDMOs providing integrated development and manufacturing services. With the commercial era of biologics, these companies' roles extend beyond discovery to cover chemistry, manufacturing and controls (CMC) process development, good manufacturing practice (GMP) production, and quality control — efficiently and compliantly translating potential candidates into commercial products. CDMOs offer scalable, quality-assured support from cell line development to commercial manufacturing, bridging discovery and production while improving efficiency and controlling costs.

- ***Downstream.*** The downstream segment mainly involves hospitals, physicians, and patients, serving as the interface between biologics manufacturing and real-world clinical use.

Within the midstream segment, CDMOs serve as an important integrator, linking upstream inputs and process technologies with downstream clinical, regulatory, and commercial requirements, thereby enabling more reliable translation of innovative discoveries into clinical outcomes and commercial products.

Evolution of Collaboration Models in the Biologics Industry

As the biologics industry evolves toward greater product complexity and a stronger emphasis on industrialization and commercialization, collaboration models across the value chain have become increasingly specialized and platform-driven. In particular, as manufacturing execution, quality systems and supply assurance become more central to value creation in biologics, the strategic importance of CDMOs has become increasingly pronounced. Against this

backdrop, division of labor across the biologics value chain has continued to deepen, with CDMOs and other specialized platforms supporting biologics developers across development, manufacturing and technology transfer, thereby improving overall efficiency and accelerating time-to-market.

As biologics projects progress from early-stage R&D to late-stage clinical development and commercialization, the need for integrated CMC, scalable GMP capacity, and robust technology transfer has increased. Compared with the in-house approach, CDMOs with established platforms can often deliver faster and more cost-effective solutions. Accordingly, CDMOs have increasingly been positioned as a key infrastructure within the midstream segment, providing integrated services across cell line development, process optimization, clinical manufacturing and commercial-scale production, and thereby reducing development timelines and execution barriers for developers.

In addition, for innovative biologics – particularly complex modalities such as monoclonal antibodies, bispecific antibodies, ADCs, and cell and gene therapies – CDMOs offer advanced capabilities in upstream process development, GMP manufacturing, and quality control that are difficult to replicate in-house. This enables biotech companies to focus resources on R&D and clinical execution, while leveraging external manufacturing expertise to improve efficiency and scalability.

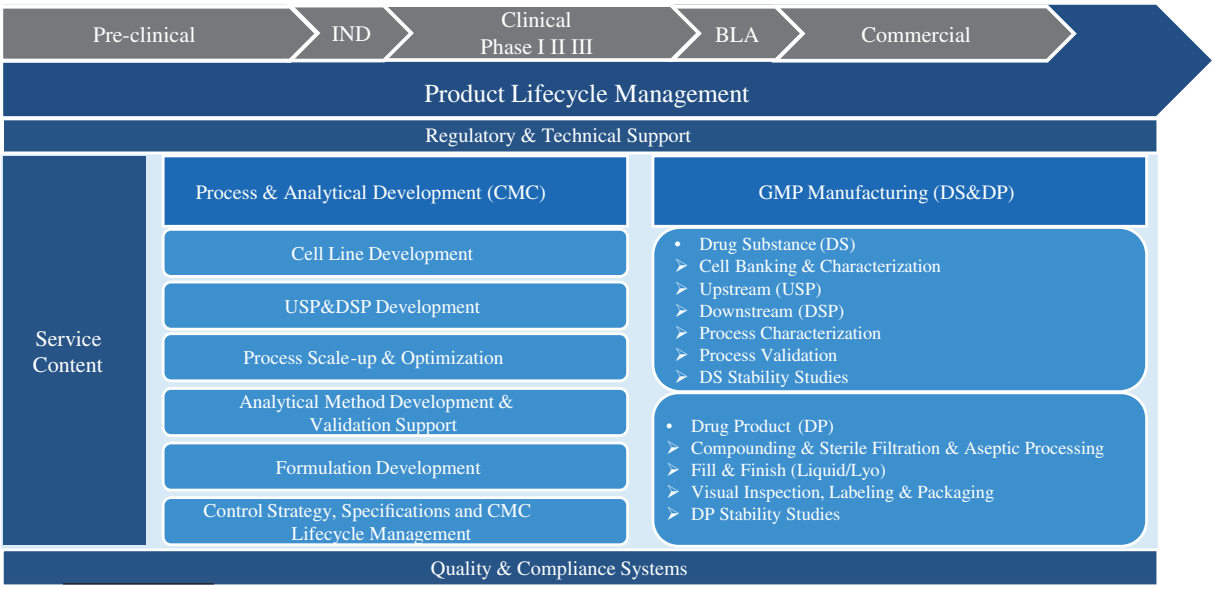
As biologics pipelines expand and product complexity increases, CDMOs have become a critical component of industrialization capabilities by enhancing capacity flexibility, cost efficiency, and regulatory compliance. Overall, the maturation of the CDMO ecosystem is a key enabler of high-quality growth in the biologics market, supporting faster innovation translation from laboratory to large-scale commercialization.

OVERVIEW OF THE BIOLOGICS CDMO INDUSTRY

Overview of Biologics CDMO Services

Within the division of labor across the biologics sector, pharmaceutical companies' core activities typically include disease/target selection, oversight of preclinical and clinical projects, regulatory submission management and commercialization activities, while biologics CDMOs can provide end-to-end, lifecycle services from preclinical to commercialization, including process development and scale-up (with validation and optimization), formulation development, quality studies and analytical/stability testing, clinical manufacturing, and post-launch commercial manufacturing with quality assurance and EHS support. Biologics CDMOs help pharmaceutical companies lower fixed investment and sunk-cost risk, fill capability gaps with specialized expertise and scalable capacity, and accelerate development through efficient workflows, thereby reducing the cost and time of drug development and manufacturing.

The following illustration shows the typical service offering of biologics CDMOs:



Source: Frost & Sullivan

Within the biologics sector, different modalities exhibit substantial differences in molecular complexity, manufacturing pathways, and regulatory requirements, leading to differentiated service demands on CDMO providers. As product development progresses from recombinant proteins and monoclonal antibodies toward more complex formats such as bispecific antibodies and ADCs, CDMO services are evolving from standardized manufacturing support toward integrated solutions encompassing complex process development, advanced facility capabilities, and global regulatory compliance.

- ***Recombinant proteins.*** Core service offerings include cell line construction and screening, upstream fermentation process development and scale-up, downstream purification process optimization, analysis of structural integrity and post-translational modification heterogeneity, as well as formulation development and long-term stability studies. At the commercial-stage, CDMOs are required to provide large-scale manufacturing capacity, validation of process consistency after scale-up, and routine regulatory filing support.

- ***Monoclonal antibodies.*** Key services include high-productivity cell line development and stability assessment, high-density upstream cell culture, multi-step chromatographic purification, control of glycosylation and charge heterogeneity, and validation of sterile filling and container-closure compatibility. During clinical and commercial manufacturing, emphasis is placed on process consistency, batch-to-batch comparability, process performance qualification, continued process verification (CPV), and global regulatory submission support.

- ***Bispecific antibodies.*** CDMO services focus on multi-chain co-expression or controlled chain-pairing process development, separation and removal of mispaired species and assembly-related byproducts, establishment of advanced structural and functional characterization methods, and stability evaluation of complex formulation

systems. At commercial scale, dedicated process platforms and high-selectivity chromatographic systems are required to support complex assembly pathways, together with more stringent process validation and customized regulatory support.

- ***ADCs.*** CDMO services cover antibody production, payload synthesis and supply, conjugation process development, control of drug-to-antibody ratio distribution, high-resolution purification, and removal of free payload and related impurities. Given the involvement of cytotoxic compounds, CDMOs must also provide high-containment manufacturing facilities, occupational safety and environmental control systems, and analytical platforms compliant with both biologic and high-potency small-molecule quality standards. At the commercial-stage, regulatory support must simultaneously meet global requirements for biologics and highly potent drug substances.

Core Value of Biologics CDMO Services

The core value of biologics CDMOs lies in leveraging their technological capabilities, manufacturing infrastructure and regulatory compliant quality systems to provide development and manufacturing support. Building in-house facilities and quality systems requires heavy capital expenditures, lengthy construction and validation timelines, and specialized compliance teams, with high execution risk and opportunity cost. Using established CDMO platforms reduces time and uncertainty, de-risks clinical supply and process consistency, and provides scalable, compliant capacity to support registration and commercial launch.

The stage-specific value of biologics CDMOs is as follows:

- ***IND stage.*** At the early development stage, sponsors rely on CDMO platform processes, analytical capabilities, and characterization systems to improve the probability of successful transition from laboratory-scale research to clinical trial material. Through established upstream and downstream process templates, validated analytical methods, and experienced development teams, CDMOs can shorten development timelines, reduce formulation and process iteration cycles, and improve the robustness of first-in-human material supply.

- ***Clinical development stage.*** During clinical development, the primary value of CDMO engagement lies in risk reduction across scale-up, manufacturing consistency, aseptic processing, and supply chain management. Compliant production facilities, validated manufacturing systems, and established quality management frameworks help mitigate risks associated with batch-to-batch variability, sterility assurance, and multi-site supply continuity. This enables sponsors to maintain stable clinical supply while controlling technical and regulatory uncertainties associated with process transfer and scale expansion.

- ***Registration and commercial supply stage.*** At the registration and commercialization stage, CDMOs provide access to scalable GMP-compliant manufacturing capacity, comprehensive documentation systems, and on-site regulatory inspection support. These capabilities improve the reliability of regulatory submissions and enhance supply assurance for launch and post-approval commercial production. Compared with self-operated manufacturing, outsourcing can also reduce labor, material, equipment, and time-related costs, contributing to lower unit manufacturing costs and improved capital efficiency.

Entry Barriers of the Biologics CDMO Industry

Given the complexity of biologics manufacturing and stringent compliance requirements, barriers to entry in the biologics CDMO industry are shaped by multiple capability dimensions:

- ***Manufacturing capacity and production flexibility.*** The scale of manufacturing capacity, manufacturing line configuration and facility compliance standards directly determine supply reliability and cost efficiency as client projects progress from clinical to commercial manufacturing. The ability to support long-term commercial supply under validated GMP conditions has become a fundamental entry requirement in the biologics CDMO market. Beyond absolute capacity, the ability to flexibly expand or contract production volumes has become an important competitive differentiator. CDMOs are required to adjust production schedules and line utilization in response to demand uncertainty, supporting rapid scale-up during periods of unexpected volume growth while retaining the capability to rebalance capacity when demand falls below expectations. This operational flexibility helps clients maintain supply continuity, avoid excessive inventory accumulation, and optimize resource utilization across development and commercial phases.

- ***Process development, scale-up and technology transfer capabilities.*** Control of process windows, critical quality attributes, and batch-to-batch consistency across development and commercial manufacturing remains a core technical barrier. CDMOs with standardized process development platforms, predictable scale-up strategies, and robust technology transfer systems are better positioned to shorten project timelines, improve development success rates, and limit post-scale-up change costs. These capabilities play a central role in ensuring manufacturing robustness, regulatory acceptability, and long-term product lifecycle stability.

- ***Advanced modality manufacturing capabilities.*** As complex modalities such as bispecific antibodies and ADCs continue to increase, competition is shifting from generic capacity provision toward integrated process and quality control capabilities for high-complexity products. For example, ADC manufacturing requires control of conjugation chemistry (including conjugation sites and drug-to-antibody ratio distributions), scale-up consistency, and specialized containment, isolation and EHS systems for handling highly potent compounds. The ability to operate compliant high-potency facilities and manage modality-specific manufacturing and control requirements has become a key factor distinguishing CDMO capability tiers.

- ***Quality systems and compliant delivery.*** Biologics CDMOs are required to maintain comprehensive quality and compliance systems covering regulatory inspections, data integrity management, deviation and change control, process validation, comparability studies and inspection support. The maturity and robustness of these systems directly affect regulatory acceptance, inspection outcomes and long-term supply reliability. The ability to consistently deliver compliant products under evolving regulatory expectations has therefore become a fundamental barrier to entry and a core determinant of client trust.

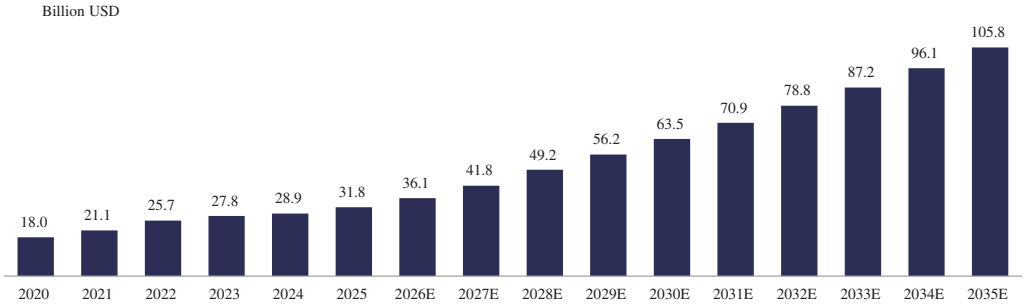
In addition to the above entry barriers, leading CDMOs may further differentiate themselves through a proven delivery track record across multiple stages and modalities, experienced and stable execution teams, resilient and well-controlled supply chains, responsive client service and customization capabilities, as well as multi-regulatory compliance experience and cross-border regulatory support.

Global and China Biologics CDMO Market

The global biologics CDMO market expanded from US$18.0 billion in 2020 to US$31.8 billion in 2025, representing a CAGR of 12.1% over the period. Looking ahead, the market is projected to reach US$63.5 billion by 2030, implying a CAGR of 14.8% from 2025 to 2030, and further grow to US$105.8 billion by 2035, corresponding to a CAGR of 10.8% from 2030 to 2035. The chart below provides details of the market size of global biologics CDMO market.

Global Biologics CDMO Market Size and Forecast, 2020—2035E

Period	CAGR
2020–2025	12.1%
2025–2030E	14.8%
2030E–2035E	10.8%

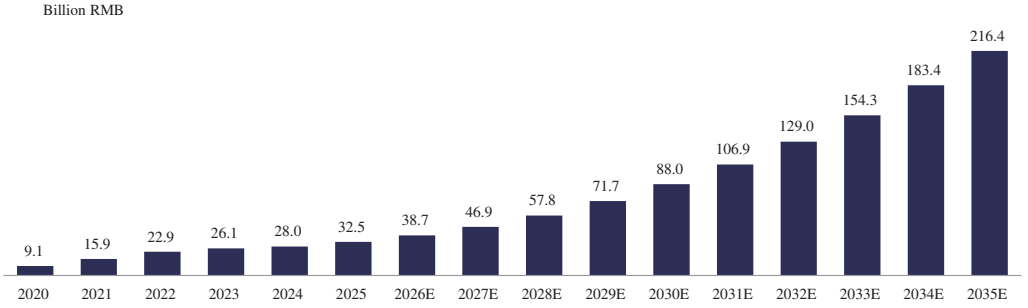


Source: Frost & Sullivan

In China, the biologics CDMO market expanded from RMB9.1 billion in 2020 to RMB32.5 billion in 2025, representing a CAGR of 28.9% over the period. Looking ahead, the market is projected to reach RMB88.0 billion by 2030, implying a CAGR of 22.1% from 2025 to 2030, and further grow to RMB216.4 billion by 2035, corresponding to a CAGR of 19.7% from 2030 to 2035. The chart below provides details of the market size of biologics CDMO market in China.

China Biologics CDMO Market Size and Forecast, 2020—2035E

Period	CAGR
2020–2025	28.9%
2025–2030E	22.1%
2030E–2035E	19.7%



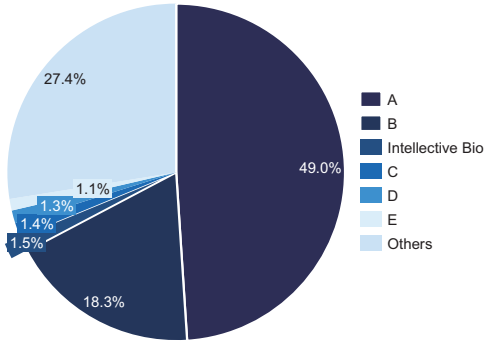
Source: Frost & Sullivan

Competitive Landscape of the Biologics CDMO Industry in China

The biologics CDMO industry in China is highly competitive and concentrated. There are at least 150 biologics CDMO companies worldwide, among which at least 25 are based in China. In 2025, the China biologics CDMO market reached a total of RMB32.5 billion. Among domestic biologics CDMOs primarily focused on antibody drugs, we ranked third in China's biologics CDMO market in terms of revenue in 2025. In addition, from a manufacturing-end service capability perspective, as of the Latest Practicable Date, we stood as one of only two biologics CDMO companies in China that are providing commercial supply for three or more approved products.

The following pie chart shows the revenue and ranking of top domestic players in China's biologics CDMO market that primarily focused on antibody drugs.

Competitive Landscape of China Biologics CDMO Market, 2025



Company	Revenue (Billion RMB)	Market Share
A	15.9	49.0%
B	5.9	18.3%
Intellective Bio	**0.5**	**1.5%**
C	0.4	1.4%
D	0.4	1.3%
E	0.4	1.1%
Others	8.9	27.4%

Notes:

(1) Only domestic CDMO companies whose core business (≥50%) focuses on contract development and manufacturing services for antibody drugs are included.

(2) To avoid double counting, where a CDMO platform or subsidiary is separately included in this ranking, its revenue has been excluded from the consolidated revenue of its parent company or controlling listed group.

Source: Frost & Sullivan

The following table sets forth a detailed comparison of financial and operational metrics of major players in biologics CDMO market in China in 2025:

Company	Background	Main Business Area	Revenue Generated from Biologics CDMO Services in 2025 (Billion RMB)	2025 Market Share	Venue of the Exchange
A	Founded in 2010, A is a leading global contract research, development, and manufacturing organization (CRDMO) providing integrated end-to-end biologics discovery, development, and manufacturing services. Through its open-access technology platform, the company supports partners from concept to commercial production, accelerating development timelines and improving efficiency. It operates multiple R&D and manufacturing facilities across China, the United States, Ireland, and Germany.	A provides integrated end-to-end CRDMO services covering biologics discovery, development, CMC, and commercial GMP manufacturing. Its core focus is on monoclonal antibodies, bispecific antibodies, antibody–drug conjugates (ADCs), fusion proteins and other biologics.	15.9	49.0%	The Stock Exchange
B	Founded in 2021, B is a leading CRDMO focused on the global ADC and broader bioconjugate market and is a pioneering CRDMO offering integrated, end-to-end services. Services are provided from proximately located, state-of-the-art laboratories and manufacturing facilities, allowing for a significant reduction in development timelines and costs.	B is a bioconjugate-focused CRDMO providing integrated services from discovery and process development to GMP manufacturing. Its capabilities span the ADC value chain, including antibody intermediates, linker and payload development and manufacturing, as well as conjugation and drug product fill-finish services.	5.9	18.3%	The Stock Exchange
Intellective Bio	Intellective Bio, founded in 2018, is a leading full-lifecycle CDMO company dedicated to large-molecule biologics. Intellective Bio offers integrated capabilities that span cell line development, process development, analytical development, and clinical to commercial-scale GMP manufacturing, empowering global biotechnology and pharmaceutical companies worldwide to advance their molecules from discovery through commercialization with a single trusted partner.	Intellective Bio provides end-to-end services for large-molecule biologics, including monoclonal antibodies, bispecific antibodies and polyclonal antibodies, bioconjugates and recombinant proteins, covering process development, analytical testing, clinical and commercial GMP manufacturing, and regulatory support.	0.5	1.5%	\
C	C, founded in 2013, is a professional CDMO serving global biopharmaceutical partners. Founded as a high-tech enterprise, C has established R&D and manufacturing sites in China and the United States. The company focuses on accelerating biologics development from early research to commercial production.	C provides end-to-end CDMO services for monoclonal antibodies, bispecific antibodies, fusion proteins, ADCs, recombinant proteins, and vaccines. Its capabilities cover cell line development, process and analytical method development, quality research, clinical and commercial GMP manufacturing and regulatory support.	0.4	1.4%	\
D	Founded in 2017, D is an independent CDMO focused exclusively on providing R&D and manufacturing services for biologics. The company supports global biopharmaceutical partners during clinical development and commercial production, leveraging industry experience and technical expertise to deliver tailored CMC solutions.	D provides end-to-end CDMO services for monoclonal antibodies, bispecific antibodies, fusion proteins, ADCs, etc. Its capabilities cover cell line development, process and analytical method development, pilot-scale production, clinical and commercial GMP manufacturing, and regulatory support for global submissions.	0.4	1.3%	\
E	Founded in 2017, E is an independent CDMO dedicated to providing biologics development and manufacturing services. Leveraging its proprietary cell line and process development platforms as well as extensive CMC expertise, E supports global biopharmaceutical partners across clinical development and commercial manufacturing, offering integrated end-to-end CMC solutions from DNA to commercial fill-finish.	E provides end-to-end CDMO services for large-molecule biologics, covering various modalities including monoclonal antibodies, bispecific antibodies, fusion proteins and ADCs. Its services cover drug and process development, manufacturing, quality control, stability studies, and global CMC regulatory support under GMP standards.	0.4	1.1%	\

Note: To avoid double counting, where a CDMO platform or subsidiary is separately included in this ranking, its revenue has been excluded from the consolidated revenue of its parent company or controlling listed group.

Source: Frost & Sullivan

In addition to revenue-based rankings, manufacturing capacity and scalable production infrastructure are critical competitive differentiators in the biologics CDMO industry, as they directly determine a CDMO's ability to support late-stage development, ensure stable commercial supply and respond efficiently to customers' evolving demand. As illustrated by the table below, as of the Latest Practicable Date, we ranked third in terms of manufacturing capacity among China-based biologics CDMOs, with a total capacity of 113,400 L.

Rank	Company	Modality					Reactor Type		Manufacturing Capacity	Maximum Bioreactor Size
		Unconjugated Antibody Drugs	ADC	Non-Antibody Protein Therapeutics	Peptides	CGT	Single-use	Stainless Steel		
1	A	√	√	√			√		255,700L	• 5,000L (SUB)
2	F	√	√	√		√	√	√	140,000L	• 2,000L (SUB) • 20,000L (SSB)
3	Intellective Bio	√	√	√	√		√	√	113,400L	• 2,000L (SUB) • 6,000L (SSB)
4	G	√	√	√	√	√	√	√	68,400L	• 2,000L (SUB) • 30,000L (SSB)
5	H	√	√	√		√	√	√	36,200L	• 2,000L (SUB) • 1,000L (SSB)

Note: Capacity reflects mammalian cell bioreactors only.

Source: Frost & Sullivan

Furthermore, from a manufacturing perspective, single-facility capacity is particularly important because it reflects the scale, integration and operational efficiency of a CDMO's production platform within an integrated GMP manufacturing facility. A higher single-facility capacity may enable more streamlined execution, facilitate flexible batch scheduling and capacity allocation, and support more consistent quality management and supply continuity.

In addition, for late-stage and commercial biologics projects, a larger integrated facility may provide greater potential for co-line design and flexible production scheduling under a robust GMP quality system. Compared with transferring a product across different sites or to another CDMO, maintaining production within the same facility may also reduce the technical transfer burden, regulatory complexity and additional validation requirements associated with manufacturing changes, thereby helping customers lower transition costs, shorten timelines and improve overall development-to-commercialization efficiency, while strengthening customer stickiness and enhancing a CDMO's ability to undertake development and manufacturing programs across various stages.

As illustrated in the table below, as of the Latest Practicable Date, we ranked first in China in terms of single-facility manufacturing capacity among China-based biologics CDMOs, with a total installed capacity of 85,300 L at our Changshu, Suzhou facility.

Rank	Company	Modality					Reactor Type		Single-facility Manufacturing Capacity	Maximum Bioreactor Size	Location
		Unconjugated Antibody Drugs	ADC	Non-Antibody Protein Therapeutics	Peptides	CGT	Single-use	Stainless Steel			
1	**Intellective Bio**	**√**	**√**	**√**	**√**		**√**	**√**	**85,300L**	• **6,000L (SSB)**	• **Suzhou**
2	F	√	√	√		√		√	80,000L	• 20,000L (SSB)	• Hangzhou
3	A	√	√	√			√		64,000L	• 4,000L (SUB)	• Wuxi
4	G	√	√	√	√	√	√	√	30,000L	• 30,000L (SSB)	• Shanghai
5	H	√	√	√		√	√		24,000L	• 2,000L (SUB)	• Beijing

Note: Capacity reflects mammalian cell bioreactors only.

Source: Frost & Sullivan

Growth Drivers of the Biologics CDMO Market

The following key drivers mainly contribute to the growth of the biologics CDMO market:

- ***Refinement of the regulatory environment.*** In recent years, the regulatory system governing the pharmaceutical industry has increasingly emphasized specialization and full life-cycle management. In China, in particular, the regulatory foundation for CDMO services has been increasingly strengthened by overarching legal framework and supporting regulations, providing clearer institutional arrangements for MAH-authorized contract manufacturing, allocation of quality responsibilities, regulatory inspections, and post-marketing supervision. These reforms have further enlarged the addressable demand for CDMO services.

- ***Growing scale and increasing complexity of the biologics market.*** As clinical adoption and market penetration of innovative biologics continue to rise, the demand for late-stage development, commercial supply, process development, quality control, and GMP-compliant manufacturing has grown. Increasing molecular complexity and scaling challenges increase the value proposition of CDMOs, with many clients integrating CDMOs' platform capabilities early to reduce risk and improve development certainty. In addition, the rapid expansion of the biosimilars market, driven by originator patent expirations and cost-containment pressures, is also creating a scalable, commercially attractive segment within biologics. By leveraging mature platforms, scalable GMP capacity, and validated quality systems, CDMOs help biosimilar developers shorten timelines, lower technical risk, and reduce costs, making biosimilars a sustainable driver of long-term outsourcing demand.

- ***Structural demand driven by asset-light strategies.*** The shift toward asset-light manufacturing models is becoming a structural trend in the pharmaceutical industry, driving sustained demand for CDMO services. By leveraging professional CDMO platforms, pharmaceutical companies gain access to ready-to-use GMP capacity, mature quality systems, and scalable production infrastructure without committing to long-term fixed assets. This industry-wide transition from in-house manufacturing toward outsourced production is accelerating the formation of a CDMO-centered manufacturing ecosystem and represents a key structural driver of long-term growth in the biologics CDMO market.

- ***Global pharmaceutical supply chain rebalancing creating external opportunities.*** Amid the ongoing relocation of the global pharmaceutical manufacturing value chain toward Asia and other emerging markets, China has become one of the preferred destinations for outsourced biopharmaceutical production. Supported by a well-established upstream and downstream supply chain, expanding manufacturing capacity, and a large pool of technically trained labor, Chinese CDMO providers offer competitive advantages in cost efficiency, capacity availability, and operational scalability.

Future Trends of the Biologics CDMO Market

The following is a summary of future trends of the biologics CDMO market:

- ***Toward more integrated services and long-term collaboration.*** Beyond providing clinical material supply and commercial manufacturing, biologics CDMOs will place greater emphasis on integrating process development, analytical methods and quality studies, GMP manufacturing, validation and batch release, and regulatory submission into a connected delivery chain from early-stage CMC to commercial supply. One-stop service providers are able to apply unified quality systems, methodologies and data chains across different stages, establish longer-term partnerships with clients, and are more likely to achieve market share concentration.

- ***Balancing scalable and flexible capacity configurations.*** An optimal capacity strategy combines both scalability and flexibility to support different scale-up pathways from clinical development to commercial manufacturing. Single-use systems enable parallel reactor scale-up, multi-line operations and disposable downstream processes, covering early-stage development through commercial ramp-up while supporting rapid product changeovers and shorter construction and validation cycles. In contrast, stainless steel systems offer advantages in ultra-large-scale production, stable and consistent operation and unit cost reduction. Leading CDMO companies are increasingly adopting hybrid and dynamically matched capacity configurations based on batch size, process characteristics and cost objectives.

- ***Deepening specialization and higher technical intensity.*** With increasing development activity in emerging therapies and rising process complexity, CDMOs will continue to strengthen their capabilities in biologics and related complex product formats. The development focus is expected to shift from capacity construction toward capacity supported by process development and engineering capabilities, with greater emphasis on the ability to stabilize complex systems, enable scalable manufacturing, and deliver compliant products. Technically advanced CDMOs are therefore likely to capture a larger share of orders in the ongoing expansion of the biologics market.

- ***Rising regulatory thresholds and increasing value of proven commercial track records.*** Regulatory developments are expected to place increasing emphasis not only on product quality and compliance, but also on demonstrated commercial manufacturing experience in the relevant dosage form. In January 2026, for instance, the National Medical Products Administration (NMPA) issued the Announcement on Strengthening the Supervision of Contract Drug Manufacturing (《關於加強藥品受託生產監督管理工作的公告》), which provides that, for sterile drug contract manufacturing, at least one party, whether the MAH or the contract manufacturer, must generally have no less than three years of commercial production experience in the same dosage form, subject to limited exceptions. Against this backdrop, CDMO providers completing their initial three-year commercial manufacturing cycle in or around 2027 are expected to be among the earlier beneficiaries of this trend, as market access increasingly favors service providers with established commercial track records, mature quality systems and stronger regulatory credibility.

- ***Strengthening supply chain resilience and cost control capabilities.*** Biopharmaceutical manufacturing is highly dependent on critical raw materials, single-use consumables, and key equipment, making delivery reliability and cost volatility important factors affecting clients' development timelines, supply continuity, and downstream gross margins. Going forward, CDMO providers are expected to place greater emphasis on strategic sourcing and inventory buffering of critical materials, the development of localized and diversified supply chains, and the gradual substitution of imported inputs with qualified domestic alternatives. In parallel, process optimization, scale-up efficiency and capacity utilization will be increasingly leveraged to reduce unit manufacturing costs. These measures are expected to enhance supply certainty, mitigate external supply risks, and improve long-term pricing competitiveness.

- ***Automation and intelligent manufacturing upgrades.*** Leading biologics CDMO companies are systematically enhancing their engineering capabilities, including higher levels of automation and digitalization, improved control of complex processes, and greater flexibility across different production scales. Standardization of manufacturing line design and operating procedures is being promoted to enable line replicability and backup capacity, strengthening manufacturing continuity and delivery reliability. CDMOs with advanced manufacturing capabilities are expected to demonstrate advantages in batch consistency, release efficiency, parallel project execution, commercial scale-up, and capacity allocation under fluctuating demand.

In addition to the above, the biologics CDMO market is expected to see further manufacturing site consolidation, and the continued build-out of globally compliant capabilities to support multi-jurisdictional development and commercial supply. CDMOs that are able to build and execute against these capabilities are expected to be better positioned to compete in the evolving market landscape.

Price Trends of Raw Materials

The raw materials used by biologics CDMOs primarily include cell culture media and supplements, buffer and process chemicals, chromatography resins, single-use components and consumables, filtration and separation materials, and primary packaging components, together with other materials used for cell banking and quality control, depending on the specific process and product type.

Similarly, our Company's key raw materials and consumables typically include cell culture media and feeds, chromatography resins, filtration membranes, single-use bioprocess components, buffer/process chemicals, and formulation excipients and primary packaging materials, with ADC projects additionally requiring linker/payload and related reagents. The prices of such raw materials have remained relatively stable overall in recent years, typically reflecting modest inflation.

SOURCE OF INFORMATION

Our Company has commissioned Frost & Sullivan, an independent market research company, to analyze the biologics CDMO market and compile a report. The information disclosed in this document regarding Frost & Sullivan is extracted from the Frost & Sullivan Report. We have agreed to pay Frost & Sullivan a fee of RMB500,000 for the preparation of the Frost & Sullivan Report. The payment of this fee is not contingent upon our successful **[REDACTED]** or the outcome of the report.

The Frost & Sullivan Report is based on both primary and secondary research obtained from various sources. Primary research includes interviews with key industry participants in the biologics CDMO market and other experts relevant to our business. Secondary research includes a review of company reports, independent research reports, and data from Frost & Sullivan's proprietary research database as well as government databases.

In compiling and preparing this report, Frost & Sullivan has made the following assumptions:

- During the forecast period, the social, economic, and political environments of the PRC, and other major global markets will remain stable, ensuring the continued and steady development of the biologics CDMO industry;
- Government policies on the biologics CDMO market will not undergo significant changes.

Frost & Sullivan believes that the fundamental assumptions used in preparing this report, including those for future projections, are factual, accurate, and not misleading. Frost & Sullivan has conducted an independent analysis of the data; however, the accuracy of its review conclusions largely depends on the accuracy of the collected information.

This section sets forth a summary of the principal laws, rules and regulations in the PRC that are relevant to our business and operation.

MAJOR REGULATORY AUTHORITIES AND RELEVANT ORGANIZATIONS

The operations of the Company in the PRC are mainly supervised and regulated by the following authorities, in addition to the authorities generally administering the companies in the PRC:

National Medical Products Administration (NMPA)

The NMPA, which is subordinate to and supervised by the State Administration of Market Supervision, is the primary regulatory agency responsible for the supervision and management of pharmaceutical products and businesses, formulating laws, regulations, regulatory policies and standards, organizing the drafting of laws and regulations, managing drug standards, organizing the formulation of national pharmacopoeia and other industry standards, establishing classified management system, and supervising the implementation. The NMPA is also in charge of drug registration management, including formulating the registration management system, strictly conducting review and approval the listing, managing post-marketing risks of drugs, undertaking the emergency management of drug safety according to applicable laws, organizing and guiding drug supervision and inspection, investigating and handling illegal activities in drug registration and production according to its statutory responsibilities, and guiding the supervision of local governments on drugs. As an integrated CDMO service provider focusing on the macromolecular biologics market, the company is managed and supervised by NMPA and local drug regulatory authorities.

National Development and Reform Commission (NDRC)

The NDRC is a component of the PRC State Council, which implements the principles, policies, and decision-making arrangements for development and reform. It is mainly responsible for formulating and organizing the implementation of laws, regulations and policies relating to national economic and social development, economic system reform and opening up, which has a great impact on drug research and development, production and service industries. As the Company has established a subsidiary overseas, it is also subject to NDRC's supervision in regard to overseas investment.

Ministry of Commerce of the PRC (MOFCOM)

The MOFCOM is the department in charge of the PRC's domestic & international trade and international economic cooperation. It is responsible for formulating development strategies and policies for domestic and foreign trade and international economic cooperation, drafting laws and regulations and formulating departmental rules and regulations on domestic and foreign trade, foreign investment, outward foreign investment and outward foreign economic cooperation; formulating foreign investment policies and reform programmes and organizing their implementation; and approving, in accordance with the law, the establishment of and changes in foreign-invested enterprises. It also approves the establishment and changes of foreign-invested enterprises in accordance with the law and approves the contracts and articles of association of major foreign-invested projects and major changes as specifically as stipulated by the law.

General Administration of Customs of the PRC

The General Administration of Customs of the PRC is a directly affiliated institution of the State Council which is responsible for customs supervision, collection and management of import and export duties and other taxes, entry-exit health quarantine, statutory inspection of import and export commodities, national import and export trade and other customs statistics, and comprehensive national anti-smuggling work. The company is subject to the management and supervision of the customs department when importing and exporting goods.

LAWS AND REGULATIONS OF THE PRC

Drug Research and Development & Registration Services

Regulations on Research and Development of New Drugs

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》, the "**DAL**") which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on September 20, 1984, became effective on July 1, 1985 and last amended on August 26, 2019, activities engaged in the development, production, operation and use of drugs shall comply with laws, regulations, rules, standards and norms, and ensure that information on the entire process is true, accurate, complete and traceable. Those engaged in drug development activities shall comply with the code of practice for the quality management of non-clinical studies of drugs and code of practice for the quality management of clinical trials of drugs and ensure that the whole process of drug development continuously meets the statutory requirements.

Pursuant to the DAL and the Regulations of Implementation of the Drug Administration Laws of the PRC (《中華人民共和國藥品管理法實施條例》) which was promulgated by the State Council on August 4, 2002, became effective on September 15, 2002 and last amended on January 16, 2026 and took effect as of May 15, 2026, respectively, clinical trials, the production and the import of drugs shall be examined and approved by the drug supervision and administration department of the State Council; The pharmaceutical supervisory and administrative department of the State Council may entrust the pharmaceutical supervisory and administrative departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government to review the development and conditions of the declared drugs, review the application materials in form, and test the trial-produced samples. The pharmaceutical supervisory and administrative department shall supervise and inspect the development, production, marketing and use of drugs according to law.

Drug Manufacturing

Pursuant to the DAL, a drug manufacturing enterprise is required to obtain a Drug Manufacturing License (《藥品生產許可》). According to the Measures for the Supervision and Administration of Pharmaceutical Production (《藥品生產監督管理辦法》), the "**Pharmaceutical Production Measures**") which was promulgated by CFDA on August 5, 2004 with effect from the same date, and last amended on January 22, 2020 respectively, to produce preparations, active pharmaceutical ingredients (the "**APIs**"), an applicant shall, in the light of Pharmaceutical Production Measures and the requirements of NMPA for application materials, file an application with the medical products administrative department of the province where it is located. The Drug Manufacturing License is valid for five years and shall be renewed at least six months prior to its expiration date upon a re-examination by the relevant authority.

According to the Announcement of the NMPA on Strengthening Supervision and Administration of Contract Manufacturing of Drugs (《國家藥監局關於加強藥品受託生產監督管理工作的公告》) issued by the NMPA on December 30, 2025 with effect from the same date, an entrusted manufacturer must maintain facilities, personnel and equipment commensurate with the entrusted products. The contract manufacturers of sterile biologics shall possess relevant production experience, including prior commercial manufacturing experience for the same category of products, as determined by the NMPA on a product-specific basis.

Pursuant to the DAL, undertaking drug manufacturing shall comply with drug manufacturing quality management norms, establish and improve upon a drug manufacturing quality management system, ensure the whole drug manufacturing process continuously comply with statutory requirements. The legal representative and the key person-in-charge of a drug manufacturing enterprise shall be fully responsible for the enterprise's drug manufacturing activities. The Good Manufacturing Practice for Pharmaceutical Products (《藥品生產質量管理規範》, the "**GMP**") which was promulgated on December 28, 1992 with effect from the same date and last amended on January 17, 2011, comprises a set of detailed standard guidelines governing the manufacture of the drugs, including institution and staff qualifications, production premises and facilities, equipment, hygiene conditions, production management, quality controls, product operation, raw material management, maintenance of sales records and manner of handling customer complaints.

According to the Announcement on Implementing the Drug Administration Law of PRC (《關於貫徹實施中華人民共和國藥品管理法有關事項的公告》) issued by NMPA on November 29, 2019, the GMP certification was cancelled on December 1, 2019, GMP certification applications would no longer be accepted and GMP certificates would no longer be issued. However, according to the DAL, drug manufacturers still have to abide by GMP, establish and improve GMP system, and ensure that the whole drug production process always conforms to the legal provisions.

On May 24, 2021, NMPA promulgated the Measures for the Administration of Drug Inspection (for Trial Implementation) (《藥品檢查管理辦法(試行)》) (which came into effect on the same day, and was amended on July 19, 2023). The Measures for the Administration of Drug Inspection (for Trial Implementation) stipulate that drug manufacturers applying for a Drug Manufacturing License for the first time shall carry out on-site inspections in accordance with the GMP requirements. For an application for re-issuance of a Drug Manufacturing License, the examination shall be carried out in light of the enterprise's compliance with laws and regulations on drug administration, GMP and operation of quality system under the principles of risk management, and GMP conformity inspection may be conducted if necessary. The GMP conformity inspection shall be conducted in case of new construction, reconstruction or expansion of a workshop or production line at the original address or at another place.

Drug Registration

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) promulgated by State Administration for Market Regulation (the "**SAMR**") on January 22, 2020, the Measures shall apply to those engaging in drug development and registration within the territory of the PRC. The term "drug registration" shall mean the activities of drug registration applicants (applicant(s)) applying for clinical trial of drugs, drug marketing authorization, re-registration etc. as well as supplementary applications, in accordance with the statutory procedures and the relevant requirements, and the drug administrative authorities

conducting examination of safety, effectiveness and quality control etc. based on laws and regulations and the current scientific knowledge, and deciding on approval or non-approval of the applications.

Regulations on Pathogenic Microorganism Laboratories

According to the Regulations on Administration of Bio-safety in Pathogenic Microorganism Laboratories (《病原微生物實驗室生物安全管理條例》), which were promulgated by the PRC State Council on November 12, 2004 and last amended on December 6, 2024 and effective from January 20, 2025, the pathogenic microorganism laboratory is classified into four levels, namely Bio-safety Level 1, 2, 3 and 4 in terms of the national standard on biosafety of the laboratory. A laboratory of Bio-safety Level 1 or 2 shall not conduct laboratory activities related to highly pathogenic microorganisms. The construction, alteration or expansion of a laboratory of Bio-safety Level 1 or 2 shall be reported for the record to competent health authorities. The establisher of a laboratory shall develop a scientific and strict management system, regularly inspect the implementation of the regulations on bio-safety, and regularly inspect, maintain and update the facilities, equipment and materials in the laboratory, to ensure its compliance with the national standards.

Regulations on Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, became effective on September 1, 1993, and last amended on December 29, 2018, is the principal law governing the supervision and administration of product quality. According to the PRC Product Quality Law, if a defect in a product causes physical injury or damage to property other than the defective product (third party property), the producer shall bear liability for compensation, unless one of the following circumstances can be proven: (i) the product has not been put into circulation; (ii) the defect causing the damage did not exist when the product was put into circulation; (iii) when the product was put into circulation, the level of science and technology at the time was not sufficient to detect the existence of the defect. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to third party property, the seller shall bear liability for compensation. A seller that is unable to identify the producer of a defective product and is also unable to identify the supplier thereof shall bear liability for compensation.

Pursuant to the Civil Code of the PRC or the PRC Civil Code (《中華人民共和國民法典》), which was promulgated by the National People's Congress on May 28, 2020 and effective from January 1, 2021, where a defective product causes damage to others, the manufacturer shall bear tort liability. The infringed may claim compensation from either the manufacturer or the seller of the products. Where the product defect is caused by the producer, the seller may, after paying compensation, claim the same from the producer, and vice versa where the product defect is caused by the fault of the seller. In the event of product defects which endanger the personal and property security of others, the injured party is entitled to request the manufacturer and the seller to assume tortious liability such as cessation of infringement, removal of obstruction, elimination of danger, etc.

Regulations on Environmental Protection, Health and Safety

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 with effect from the same date and last amended on April 24, 2014, summarizes the rights and responsibilities of environmental protection regulatory authorities. The competent department of environmental protection in the State Council is responsible for formulating national environmental quality standards and pollutant discharge standards, and the people's governments of provinces, autonomous regions and municipalities directly under the Central Government may formulate local standards that are more stringent than the national standards. In this case, the company concerned must comply with national and local standards.

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002, became effective on September 1, 2003, amended on July 2, 2016 and December 29, 2018, respectively, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 with effect from the same date and last amended on July 16, 2017, for construction projects that have an impact on the environment, entities shall prepare an environmental impact report, environmental impact statement or registration form in accordance with the severity of the impact that the project may have on the environment and submit the relevant document to the competent administrative authority of environmental protection for approval before the commencement of the construction. If the environmental impact assessment documents of a construction project have not been reviewed by the competent administrative authority in accordance with the law or have not been granted approval after the review, the construction entity shall be prohibited from commencing construction works of such project.

Completion and Acceptance

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated and implemented by the former Ministry of Environmental Protection (now the MEE) on November 20, 2017, regulate the procedures and standards for environmental protection acceptance by construction entities upon the completion of construction projects.

Pollution Discharge

Pursuant to Regulations on the Administration of Pollutant Discharge Permits (《排汙許可管理條例》), promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, and the Measures for the Administration of Pollutant Discharge Permit (《排汙許可管理辦法》) promulgated by Ministry of Ecology and Environment on April 1, 2024 (effective on July 1, 2024), enterprises, public institutions and other producers and business operators that are subject to pollutant discharge permit administration in accordance with laws shall apply for and obtain a pollutant discharge permit according to laws and discharge pollutants in accordance with the provisions of such permits. The entities that fail to obtain a pollutant discharge permit shall not discharge any pollutants.

Pursuant to the Notice of the General Office of the State Council on Issuing the Implementation Plan for the Control of Pollutant Release Permit System (《國務院辦公廳關於印發控制污染物排放許可制實施方案的通知》) promulgated on November 10, 2016 and the Classification Administration List of Pollutant Discharge Permitting for Fixed Pollution Sources (2019) (《固定污染源排汙許可分類管理名錄》(2019年版)) promulgated by the MEE on December 20, 2019, the state implements a focused management and a simplification of emission permits based on the pollutant-discharging enterprises and other manufacturing businesses' amount of pollutants, emissions and the extent of environmental damage. The manufacturing of drug substance and manufacturing dose for chemical drugs are industries that shall obtain the discharge permit in accordance with the prescribed time limit.

According to the Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》), promulgated by the State Council on October 2, 2013 with effect from January 1, 2014, urban entities and individuals shall dispose of sewage through urban drainage facilities covering their geographical area in accordance with the law. Companies or other entities engaging in industrial activities shall apply for a sewage disposal drainage license (《污水排入排水管網許可證》) before disposing sewage into urban drainage facilities. Sewage-disposing entities and individuals shall pay sewage treatment fees in accordance with the law.

According to the Measures for the Bio-safety Environmental Management of Pathogenic Microbe Laboratories (《病原微生物實驗室生物安全環境管理辦法》), promulgated by the former State Environmental Protection Administration (now the MEE) on March 8, 2006 with effect from May 1, 2006, where a laboratory intends to discharge waste water or waste gas, it shall comply with the relevant provisions issued by the former Ministry of Environmental Protection (now the MEE) and implement an internal system for reporting and conduct the pollutant discharge registrations.

The Law of the PRC on Prevention and Treatment of Water Pollution (《中華人民共和國水污染防治法》), promulgated by the SCNPC on May 11, 1984, became effective on November 1, 1984 and last amended on June 27, 2017, requires that new construction projects and reconstruction or expansion projects and other installations on water that directly or indirectly discharge pollutants to water bodies shall be subject to environmental impact assessment in accordance with the law. The facilities for prevention and control of water pollution shall be designed, constructed and put to use simultaneously with the main parts of a construction project. The facilities for prevention and control of water pollution shall conform to the requirements of the approved or filed environmental impact assessment documents.

Regulations on Work Safety

Work Safety

According to the Safety Production Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and effect from November 1, 2002 and last amended on June 10, 2021, a producers and business operators shall abide by this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve the all-staff work safety responsibility system and work safety rules and regulations, increase investment in funds, materials, technologies and personnel for work safety, improve the conditions for work safety, strengthen the standardized and information technology development of work safety, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism, and improve the level of work safety so as to ensure work safety.

Enterprises that do not have the conditions for safe production shall not engage in production and business activities.

According to the Measures for the Supervision and Administration of "Three Simultaneities" Requirements for the Safety Facilities of Construction Projects (《建設項目安全設施"三同時"監督管理辦法》), which were promulgated by the former State Administration of Work Safety (now the Ministry of Emergency Management (the "**MEM**")) on April 2, 2015 and became effective on May 1, 2015, the safety facilities of a construction project must be designed, constructed and put into operation simultaneously with the major construction works of the construction project.

Hazardous Chemicals

The Regulation on Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》, the "**Hazardous Chemicals Regulation**") was promulgated by the State Council on January 26, 2002, became effective on March 15, 2002 and amended on March 2, 2011 and December 7, 2013, respectively. An entity using hazardous chemicals shall comply with the provisions of laws and administrative regulations and the requirements of national standards and industrial standards in terms of use conditions (including techniques), and shall, in accordance with the types and hazard characteristics of the used hazardous chemicals as well as the amount and mode of use, establish and perfect the safety administration regulations and safety operating rules for the use of hazardous chemicals so as to guarantee the safe use of hazardous chemicals.

The Regulation on the Administration of Precursor Chemicals (《易製毒化學品管理條例》) promulgated by the State Council on August 26, 2005, became effective on November 1, 2005 and last amended on September 18, 2018, stipulates the production, operation, purchase, transportation, import and export of precursor chemicals. The precursor chemicals are classified into three categories. Category I includes the major materials that can be used for producing drugs. Categories II and III include the chemical agents that can be used for producing drugs. An entity that applies for purchasing the precursor chemicals in Category I shall submit the following certificates to the competent administrative department for examination and approval and obtain the purchase license therefrom upon approval. An entity that is to purchase any chemical liable to producing drugs in Category II or III shall, prior to the purchase, shall file an information about the type and quantity in demand for record, with the public security organ of the local people's government at the county level.

The Measures for the Administration of Public Security of Explosive Hazardous Chemicals (《易製爆危險化學品治安管理辦法》) promulgated by the Ministry of Public Security on July 6, 2019 and came in to effect on August 10, 2019, stipulates that the selling and purchasing units of explosive hazardous chemicals shall report the variety, quantity and flow information of explosive hazardous chemicals sold and purchased to the local county- level public security organ for the record within five days after the sale and purchase.

Fire Prevention

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) or the Fire Prevention Law, promulgated by the SCNPC on April 29, 1998, became effective on September 1, 1998 and last amended with effect from April 29, 2021, the design and construction of the fire control facilities for a construction work shall comply with the national fire control technical standards. The developer, designer, constructor and project supervisor of a construction project

shall be responsible for the quality of the design and construction of such fire control facilities according to the relevant laws.

According to the Fire Prevention Law and the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Works (《建設工程消防設計審查驗收管理暫行規定》) or the interim Provisions on Fire Protection, (promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and effective as of June 1, 2020, amended on August 21, 2023). The developer shall bear the primary responsibility for the fire protection design and construction quality of the construction project according to law.

Regulations on Labor

Labor

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) which was promulgated by the SCNPC on July 5, 1994, became effective on January 1, 1995, and last amended on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) which was promulgated by the SCNPC on June 29, 2007, became effective on January 1, 2008 and subsequently amended on December 28, 2012 and the Implementing Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council on September 18, 2008, written labor contracts shall be needed to establish labor relationships between employers and employees. Wages cannot be lower than the local standards of minimum wages. Employers must establish and improve labor safety and hygiene systems, strictly implement national labor safety and hygiene regulations and standards, and educate workers about labor safety and hygiene. Employers must provide workers with labor safety and hygiene conditions and the necessary labor protective equipment in accordance with State regulations, and workers engaged in occupationally hazardous work should undergo regular health checks.

Social Insurance and Housing Accumulation Fund

Under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated by the SCNPC on October 28, 2010, became effective on July 1, 2011 and amended on December 29, 2018, the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) which was promulgated by the State Council on April 3, 1999 with effect from the same date and amended on March 24, 2002 and March 24, 2019 respectively, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity insurance and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to make the deficit good within a stipulated time limit.

The General Office of the Central Committee of CPC and the General Office of the State Council jointly issued the Reform Program of the State Tax and Land Tax Collection and Management System (《國稅地稅徵管體制改革方案》) on July 20, 2018, which stipulates that from January 1, 2019, the tax department is responsible for the collection of social insurance premiums. According to the Circular on Doing the Work Relating to the Collection and Administration of Social Insurance Premiums in a Steady and Orderly Manner (《關於穩妥有序做好社會保險費管徵管有關工作的通知》) issued by the State Administration of Taxation on September 13, 2018, all local departments responsible for collecting social insurance are strictly prohibited from centrally clearing enterprises' historical arrears on their own. The Circular on

the Implementation of Certain Measures to Further Support and Serve the Development of the Private Economy (《關於實施進一步支持和服務民營經濟發展若干措施的通知》) issued by the State Administration of Taxation on November 16, 2018 reiterated that tax agencies at all levels are not allowed to organize on their own to carry out centralized clearing of fees owed by contributors, including private enterprises, for previous years. The Circular on the Issuance of the Comprehensive Plan for Reducing Social Insurance Premium Rates (《關於印發降低社會保險費率綜合方案的通知》), issued by the General Office of the State Council on April 1, 2019, generally reduces the burden of social insurance payment on enterprises and re-emphasizes that local authorities shall not carry out centralized clearing of historical arrears of fees and charges owed by enterprises on their own.

Prevention and Control of Occupational Diseases

According to the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) which was promulgated on October 27, 2001, became effective as of May 1, 2002 and last amended on December 29, 2018, the prevention and control of occupational diseases shall follow the guideline of "focusing on prevention and combining prevention with control." An employer shall: (i) establish and improve the accountability system for prevention and treatment of occupational diseases, enhance management of, and raise the level in this field, and bear responsibility for the occupational disease hazards produced; (ii) contribute to occupational injury insurance; (iii) provide facilities for the effective prevention and protection of occupational diseases, and provide materials to employees for personal use against occupational diseases; (iv) provide alarm equipment, allocate on-spot emergency treatment materials, washing equipment, emergency safety exits and necessary safety zones for work places where acute occupational injuries are likely to take place due to poisonous and harmful elements therein; and (v) inform the employees of, and specify in the labor contracts with the employees the potential harm of, occupational disease as well as the consequences thereof, and the prevention and protection measures and treatment against occupational diseases when signing the labor contracts with employees.

According to the Law of the PRC on the Prevention and Control of Occupational Diseases, in the event that any newly built, expanded or renovated construction project, or technology renovation or introduction project (hereinafter the "**Construction Project**") may generate occupational disease hazards, the owner shall conduct the assessment of occupational disease hazards during the feasibility study stage. The occupational disease hazard pre-assessment report shall assess the Construction Project as to possible occupational disease hazard factors and their impact on the workplace and health of the workers and determine the type of the hazards and the measures for protection against occupational diseases. Pursuant to the Classified Management Catalog for the Risks of Occupational Disease Hazards at Construction Projects (《建設項目職業病危害風險分類管理目錄》) which was promulgated on March 12, 2021 with effect from the same date, the manufacturing of APIs of chemical drug falls within the "serious" category.

Regulations on Self-Owned Real Properties

According to the PRC Civil Code, properties referred to in this law include real property and personal property. Establishment, modification, assignment and extinguishment of the property right of a real property shall be effective upon registration pursuant to law. The construction land use right may be established through assignment or allotment, etc. The holder of the construction land use right shall reasonably use the land and may not alter the use purpose.

Regulations on Real Estate Leasing

According to the PRC Civil Code, a lease contract is a contract whereby the lessor delivers to the lessee the item for the latter's use or benefit therefrom, and the lessee pays the lease expense. The contents of a lease contract generally include terms such as the name, quantity and purpose of the leased property, lease term, rent, the time and method of payment and the maintenance of the leased property.

According to Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of PRC on December 1, 2010 and effective from February 1, 2011, the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the competent municipal or county level housing and construction authority where the leased property is located. Failure to comply with the above requirements may subject the relevant lessor and lessee to administrative penalties, including rectification order and fines.

Regulations on Intellectual Property

Patents

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》, the "**PRC Patent Law**"), promulgated by the SCNPC on March 12, 1984, became effective on April 1, 1985 and last amended on October 17, 2020 and effective from June 1, 2021, and the Implementation Rules of the PRC Patent Law (《中華人民共和國專利法實施細則》) last amended by the State Council on December 11, 2023, there are three types of patents in the PRC: invention patent, utility model patent and design patent. The protection period for an invention patent shall be 20 years, for a utility model patent shall be 10 years, and for a design patent shall be 15 years, all commencing from the date of filing of application. Any individual or entity that utilizes a patent or conducts any other activity in infringement of a patent without prior authorization of the patentee shall pay compensation to the patentee and is subject to administrative penalties and, if constituting a crime, shall be held criminally liable in accordance with the law. According to the PRC Patent Law, for the purpose of public health, the patent administrative department under the PRC State Council may grant mandatory licenses for patented drugs manufactured and exported to countries or regions which comply with the provisions of the relevant international treaties participated by the PRC.

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated by the SCNPC on August 23, 1982, became effective on March 1, 1983, last amended on April 23, 2019 and effective from November 1, 2019, the protection period for a registered trademark is 10 years from the date of registration and may be renewed for successive 10-year periods. Upon expiry of the validity period of a registered trademark, where the trademark registrant intends to continue using the trademark, it shall complete renewal formalities pursuant to the provisions within the 12-month period before the expiry date; where renewal formalities are not completed within the stipulated period, a six-month grace period may be allowed. In the absence of renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the right to investigate and deal with any behavior in infringement of the exclusive right to use registered trademarks in accordance with the law. In case of a suspected criminal offense, the case shall be promptly transferred to the judicial authorities in accordance with the law.

Copyright

The SCNPC promulgated the Copyright Law of the PRC (《中華人民共和國著作權法》) in 1990 and last amended it in 2020. The Copyright Law of the PRC provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works. Where a work is created according to the intention and under the supervision and responsibility of a legal entity or another organization, such legal entity or organization shall be the author of the work.

Domain Name

In accordance with the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology (the "**MIIT**") on August 24, 2017 with effect from November 1, 2017, the corresponding permit shall be obtained pursuant to these Measures from the MIIT or the communication administrative bureau of the province, autonomous region or centrally-administered municipality for establishment of domain name root servers and domain name root server operating organizations, domain name registration management organizations and domain name registration service organizations. Domain name registration service organizations require applicants to provide true, accurate and complete registration information of the domain name holder, such as the identity information etc.

Regulations on Taxation

PRC Enterprise Income Tax

The PRC Enterprise Income Tax, or EIT, is calculated based on the taxable income determined under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》, the "**PRC EIT Law**"), which was promulgated on March 16, 2007, became effective on January 1, 2008 and last amended on December 29, 2018. The PRC EIT Law generally imposes a uniform enterprise income tax rate of 25% on all resident enterprises in China, including foreign-invested enterprises. The PRC EIT Law and its implementation rules permit the enterprises qualified as "High and New Technologies Enterprises", or HNTEs, to enjoy a reduced 15% enterprise income tax rate.

PRC Value Added Tax

On March 23, 2016, Ministry of Finance of PRC (the "**MOF**") and the State Administration of Taxation (the "**SAT**") jointly issued the Circular on the Pilot Program for Overall Implementation of the Collection of Value Added Tax Instead of Business Tax (《關於全面推開營業税改徵增值税試點的通知》) (the "**Circular 36**"), which took effect on May 1, 2016 and was last amended with effect from April 1, 2019 following the enactment of the Announcement 39 (as defined below). According to Circular 36, all of the companies operating in construction, real estate, finance, modern service or other sectors which were required to pay business tax are required to pay Value-added Tax, or VAT, in lieu of business tax. A VAT rate of 6% applies to revenue generated from the provision of certain services.

On March 20, 2019, the MOF, the SAT and the General Administration of Customs of the PRC issued the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》) (the "**Announcement 39**"), which came into effect on April 1, 2019, to further slash VAT rates. According to Announcement 39, (i) the 16% or 10% VAT rate previously imposed on sales and imports by general VAT taxpayers is reduced to 13% or 9% respectively;

(ii) the 10% VAT deduction rate previously allowed for the procured agricultural products is reduced to 9%; (iii) for the agricultural products procured for production or commissioned processing with a 13% VAT rate, the amount of input VAT shall be calculated at the 10% VAT deduction rate; and (iv) the 16% or 10% export VAT refund rate previously granted to the exportation of goods or labor services is reduced to 13% or 9%, respectively.

Regulations on Import and Export

Promulgated by The General Administration of Customs of the PRC on November 19, 2021 and effective January 1, 2022, Administrative Provisions of the Customs of the People's Republic of China on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) stipulates that consignors or consignees of imported or exported goods or customs declaration enterprises that apply for record-filing shall obtain market entity qualifications; in the case of consignors or consignees of imported or exported goods applying for record-filing, they shall also complete the record-filing formalities for foreign trade dealers. If the record-filing materials are complete and meet the record-filing requirements for a customs declaration entity upon review, Customs shall approve the record-filing within three business days. The record-filing information shall be made public via the Import and Export Credit Information Publicity Platform of the Customs of China.

Regulations on Enterprise Investment Projects

According to Regulations on the Administration of Approval and Record-Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) which were promulgated by the PRC State Council on November 30, 2016 and became effective from February 1, 2017, pre-approval is required for projects that have national security concern or relate to major productivity distribution, strategic resource development and major public interests, and projects other than the aforesaid ones are subject to administration by way of filing. The Notice of the PRC State Council on Issuing the Catalogue of Investment Projects Approved by the Government (2016 Version) (《國務院關於發佈政府核准的投資項目目錄(2016年本)的通知》) issued by the PRC State Council and taking effect from December 12, 2016 set out projects required for pre-approval.

Regulations on Foreign Investment and Outbound Investment

Foreign Investment

The Company Law of the PRC (《中華人民共和國公司法》, the "**PRC Company Law**"), promulgated by the SCNPC on December 29, 1993 (effective as from July 1, 1994) and last amended on December 29, 2023 and effective from July 1, 2024, provides general regulations for companies' incorporation and operation in the PRC including the foreign-invested companies. Unless otherwise provided in the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》, the "**PRC Foreign Investment Law**"), the provisions in the PRC Company Law shall prevail.

Foreign investors in the PRC are subject to certain restrictions regarding the types of industries they can invest in. The Special Administrative Measures for the Access of Foreign Investment (2024) (the "**Negative List**") (《外商投資准入特別管理措施負面清單》(2024年版)) was promulgated by the MOFCOM and the NDRC on September 6, 2024 and came into effect on November 1, 2024. The Negative List set out the restrictive measures in a unified manner, such as the requirements on shareholding percentages and management, for the access of foreign

investments, and the industries that are prohibited for foreign investment. The Negative List covers 11 industries, and any field not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

Outbound Investment

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which was promulgated by the NDRC on December 26, 2017 and became effective on March 1, 2018, to make outbound investment, any investor shall go through the formalities to have a proposed overseas investment project approved or filed on the record, report relevant information, and cooperate with supervision and inspection. Projects that involve any sensitive country or region or any sensitive industry need to be approved by the NDRC, while other overseas investment projects are subject to filing administration. The NDRC promulgated the List of Sensitive Sectors for Outbound Investment (2018) (《境外投資敏感行業目錄》(2018年版)) on January 31, 2018 and effective as from March 1, 2018 to list the current sensitive industries in detail.

According to the Administrative Measures for Outbound Investment (《境外投資管理辦法》), which was promulgated by the MOFCOM on March 16, 2009, became effective on May 1, 2009 and amended on September 6, 2014, outbound investment refers to the activities of possessing non-financial enterprises or acquiring the ownership of, the control over, the operation and management right of, and other rights of and interests in, the existing non-financial enterprises outbound through consolidation, merger and acquisition, or otherwise conducted by enterprises that are established in the PRC in accordance with the law. The MOFCOM and the provincial departments in charge of commerce shall conduct archive filing and verification management according to different circumstances of outbound investment of an enterprise. Where the outbound investment carried out by an enterprise involves sensitive countries and regions and sensitive industries, verification management shall be implemented. Archive filing management shall be implemented for other circumstances of outbound investment of an enterprise.

Pursuant to the Provisions on the Foreign Exchange Administration of Overseas Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the State Administration of Foreign Exchange (國家外匯管理局, the "**SAFE**") on July 13, 2009, which became effective on August 1, 2009 and the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, upon obtaining approval for overseas investment, a PRC enterprise shall apply for foreign exchange registration for its overseas direct investments with the banks in the place where it's registered.

Regulations on Foreign Exchange and Dividend Distribution

Foreign Exchange Control

The PRC Regulations for the Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which were promulgated by the State Council on January 29, 1996, became effective on April 1, 1996 and amended on January 14, 1997 and August 5, 2008, established the regulatory framework of the administration on foreign currency exchange in China.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》)

issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their funds received by way of capital contribution, foreign debts and overseas listing, with no need to provide the evidentiary materials concerning authenticity of such payment to banks in advance, provided that their capital use shall be authentic and compliant, and conform with the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct ex-post spot check and the local branches of the SAFE shall strengthen monitoring analysis and interim and ex-post regulation in accordance with the relevant requirements.

Dividend Distribution

According to the PRC Company Law, companies shall contribute 10% of the profits into their statutory capital reserve (法定公積金) upon distribution of their post-tax profits of the current year until the aggregate sum of the statutory capital reserve is more than 50% of its registered capital. Where the statutory capital reserve of a company is insufficient to cover its losses in the previous year, the company shall offset such losses using its profits of the current year before making contribution to the statutory capital reserve. Upon contribution to the statutory capital reserve with its post-tax profits, a company may make further contribution to the capital reserve with its post-tax profits upon a resolution made by the shareholders' meeting.

Dividend Withholding Tax

According to the Notice of the SAT on Issues Related to Withholding and Paying Corporate Income Tax by China Resident Enterprises to Overseas H-share Non-resident Enterprise Shareholders (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued and implemented by the SAT on November 6, 2008, when China Resident Enterprises distribute dividends to overseas H-share non-resident enterprise shareholders in 2008 and beyond, they will uniformly withhold and pay corporate income tax at the rate of 10%.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement for Avoidance of Dual Taxation**"), if a Hong Kong enterprise directly holds at least 25% of the equities in a Chinese resident enterprise and meets certain conditions (including): (i) the Hong Kong enterprise must directly hold specified percentages of the shares and voting rights of the Chinese resident enterprise; and (ii) the Hong Kong enterprise must directly hold such specified percentages within 12 months prior to receiving the dividend, then, the income tax rate for the income tax withheld by the Chinese resident enterprise on the dividend distributed to the Hong Kong enterprise can be reduced from the standard tax rate of 10% to 5%.

According to the Circular on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Treaty Agreements (《關於執行税收協定股息條款有關問題的通知》) issued by the SAT on February 20, 2009, if the relevant Chinese tax authority determines a certain company benefits mainly from the reduced income tax rate under the tax-driven structure or arrangement as the case may be, it can adjust the preferential tax treatment. Also, if the operating activity of an applicant doesn't constitute the substantive operating activity, it may not be identified as the "beneficial owner", and finally, the applicant will have no right to enjoy the reduced income tax rate of 5% said above according to the Arrangement for Avoidance of Dual Taxation, according to the Notice on Issues relating to "Beneficial Owners" in Tax Conventions

(《關於税收協定中"受益所有人"有關問題的公告》) issued by the State Administration of Taxation on February 3, 2018 and put in effect since April 1, 2018.

Laws and Regulations on Overseas Securities Offering and Listing by Domestic Enterprises

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") released the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》, the "**Trial Measures**") with effect from March 31, 2023. The Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. According to the Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC within three (3) working days after submitting the listing application documents to the overseas supervisory authorities and report relevant information.

H-share Full Circulation

"Full circulation" means the conversion of domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders, into shares that may be listed and traded on the Stock Exchange of Hong Kong.

On August 10, 2023, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (revised in 2023) (《H股公司境內未上市股份申請"全流通"業務指引(2023修訂)》) (the "**Guidelines for the Full Circulation**"). According to H-Guidelines for the Full Circulation, on the premise of complying with relevant laws and regulations of state-owned assets management, foreign investment and industry supervision, domestic unlisted shareholders can independently negotiate to determine the number and proportion of shares to be circulated and entrust H-share companies to file with the CSRC. Shareholders of unlisted shares in China shall handle the share re-registration business in accordance with the relevant business rules of China Securities Depository and Clearing Co., Ltd. (the "**CSDC**"), handle the procedures of share registration and listing in accordance with the relevant provisions of the Hong Kong market, and disclose information in compliance with laws and regulations. H-share companies shall submit relevant reports to the CSRC within 15 days after the shares involved in the application are settled in China and registered.

OVERVIEW

Founded by Mr. Li, our chairman of the Board, executive Director and CEO, in April 2018, we have developed into a leading manufacturing-driven, full-lifecycle biologics CDMO in China, built around the "One Molecule, One Journey" model. Over the years, we have established a single-facility and standardized manufacturing platform designed to support biologics from early-stage development to commercialization. For details, see "Business."

Our Company was established in the PRC on April 27, 2018. In January 2026, our Company was converted from a limited liability company into a joint stock company with limited liability and renamed to Intellective Biologics (Suzhou) Co., Ltd. (智享生物(蘇州)股份有限公司).

MILESTONES

The following is a summary of our key development milestones since our inception:

Year	Milestone
2018	In April, Suzhou Intellective Makerspace Incubation Management Co., Ltd. (蘇州智享眾創孵化管理有限公司, later changed to Intellective Biologics (Suzhou) Co., Ltd. (智享生物(蘇州)有限公司)), our predecessor, was established in China
2019	In December, our manufacturing facility in Suzhou Xiangcheng, was granted the Drug Manufacturing License (藥品生產許可證)
2020	In December, our manufacturing facility in Suzhou Xiangcheng firstly obtained European Union Qualified Person (EU QP) certification
2021	In November, we were recognized as a High and New Technology Enterprise (高新技術企業)
2022	In June, our manufacturing facility in Suzhou Industrial Park, was granted the Drug Manufacturing License
	In December, our manufacturing facility in Suzhou Industrial Park obtained EU QP certification
2023	In July, we were recognized as a specialized and new "Little Giant" enterprise (專精特新小巨人企業) by the Ministry of Industry and Information Technology of the PRC and our manufacturing facility in Suzhou Changshu firstly obtained EU QP certification
2024	In May, we supported our first customer in obtaining marketing approval for their commercialization project
2025	In January, we supported our second customer in obtaining marketing approval for their commercialization project
	In September, our installed capacity exceeded 100,000 L
2026	In January, we supported our third customer in obtaining marketing approval for their commercialization project
	As of April, we supported our clients in obtaining 100 approvals in aggregate, consisting of 97 IND approvals and three BLA approvals

OUR SUBSIDIARIES

As of the Latest Practicable Date, we had two wholly-owned subsidiaries and their details are set forth below:

Subsidiary[(1)]	Place of establishment	Date of establishment	Principal business
Intellective Biotechnology (Suzhou) Co., Ltd. (智享生物技術(蘇州)有限公司)	PRC	April 22, 2021	Provision of full-lifecycle CDMO services
IntellectiveBio (HongKong) Limited	Hong Kong	March 13, 2025	Medical-related technological service and consulting

Note:

(1) Each subsidiary has been wholly owned by the Company since its establishment.

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(a) Establishment and Early Shareholding Changes of Our Company

On April 27, 2018, Mr. Li, our founder, chairman of the Board, executive Director and CEO, established our Company as a limited liability company with a registered capital of RMB100 million. On October 23, 2020, the registered capital of our Company was reduced to RMB20 million.

In November 2020, for the purpose of providing share incentive to the key employees and management of the Company, Mr. Li transferred certain equity interests he held in the Company to three Employee Incentive Platforms, namely Qide Partnership, Qihao Partnership and Qikun Partnership, at a total consideration of RMB4,027,700 based on the nominal value. For details of the Employee Incentive Platforms, see "Statutory and General Information — D. Pre-**[REDACTED]** Share Incentive Scheme" in Appendix V to this document. Separately, Mr. Li transferred 15% equity interests he held in the Company to Qijun Partnership, which was established in the PRC for the purpose of facilitating investment by our employees during the early-stage of our Company's development, at a consideration of RMB2,409,000 with reference to actual paid-in capital contributed in respect of such equity interest at the time of the transfer.

Upon the completion of above-mentioned equity transfers, the shareholding structure of our Company was as follows:

No.	Shareholder	Registered capital subscribed for	Equity interest
		(RMB)	*(%)*
1.	Mr. Li	11,984,200	59.92
2.	Qide Partnership	1,000,000	5.00
3.	Qihao Partnership	1,000,000	5.00
4.	Qijun Partnership[(1)]	3,000,000	15.00
5.	Qikun Partnership	3,015,800	15.08
	Total	**20,000,000**	**100.00**

Note:

(1) The general partner of Qijun Partnership is Zhixiang Huide Information Technology (Suzhou) Co., Ltd. (智享慧德信息科技(蘇州)有限公司) ("**Huide Information Technology**"). As of the Latest Practicable Date, there are 44 limited partners in Qijun Partnership, with Mr. Li, being the largest limited partner holding approximately 83.83% partnership interest in Qijun Partnership. No other limited partners hold 30% or more partnership interest in Qijun Partnership. Huide Information Technology is a limited liability company established in the PRC on June 24, 2020 and was owned as to 98% by Mr. Li and as to 2% by Ms. Huang Xiaole (黃小樂), the spouse of Mr. Li, as of the Latest Practicable Date.

(b) Series A Financing and Equity Transfer in 2020

On November 11, 2020, a capital increase agreement was entered into among our Company, Mr. Li, Beijing Junlian Huikang Equity Investment Partnership Enterprise (Limited Partnership) (北京君聯惠康股權投資合夥企業(有限合夥)) ("**Beijing Junlian**"), Chengdu Boyuan Jiayu Venture Capital Partnership (Limited Partnership) (成都博遠嘉昱創業投資合夥企業(有限合夥)) ("**Chengdu Boyuan**") and Nanjing Tsing Song Healthcare Industry Investment Partnership (Limited Partnership) (南京清松醫療健康產業投資合夥企業(有限合夥)) ("**Nanjing Tsing Song**"), pursuant to which (1) Beijing Junlian subscribed for RMB1,579,961 registered capital of the Company at a consideration of RMB82 million; (2) Chengdu Boyuan subscribed for RMB289,017 registered capital of the Company at a consideration of RMB15 million; and (3) Nanjing Tsing Song subscribed for RMB289,017 registered capital of the Company at a consideration of RMB15 million. For details of the Series A Financing, see "— Pre-**[REDACTED]** Investments" below.

On November 27, 2020, an equity transfer agreement was entered into between Mr. Li and his investment vehicle, Suzhou Zhilihui Enterprise Management Co., Ltd. (蘇州知立匯企業管理有限公司) ("**Suzhou Zhilihui**"), pursuant to which Mr. Li transferred his 49.86% equity interest in our Company to Suzhou Zhilihui at a consideration of RMB8,006,793 with reference to the actual paid-in capital contributed in respect of such equity interest at the time of the transfer.

(c) Series A+ Financing

On May 7, 2021, a capital increase agreement was entered into among our Company, its then Shareholders and Ningbo Meishan Bonded Port Area Yimei Kangjian Hospital Investment Management Center (Limited Partnership) (寧波梅山保稅港區溢美康健醫院投資管理中心(有限合夥)) ("**Yimei Kangjian**"), pursuant to which Yimei Kangjian subscribed for RMB830,207

registered capital of the Company at a consideration of RMB50 million. For details of the Series A+ Financing, see "— Pre-**[REDACTED]** Investments" below.

(d) Series B and Series B+ Financings in 2021

On June 28, 2021, a capital increase agreement was entered into among our Company, its then Shareholders and Suzhou Danqing Phase II Innovative Pharmaceutical Industry Investment Partnership (Limited Partnership) (蘇州丹青二期創新醫藥產業投資合夥企業(有限合夥)) ("**Shiyu Capital**"), pursuant to which Shiyu Capital subscribed for RMB999,536 registered capital of the Company at a consideration of RMB80 million.

On July 12, 2021, a capital increase agreement was entered into among our Company, its then Shareholders, Suzhou Borui Jiayu Phase II Equity Investment Partnership (Limited Partnership) (蘇州博睿嘉昱二期股權投資合夥企業(有限合夥)) ("**Suzhou Borui**") and Zhuhai Junlian He'an Equity Investment Enterprise (Limited Partnership) (珠海君聯和安股權投資企業(有限合夥)) ("**Zhuhai Junlian**"), pursuant to which (1) Suzhou Borui subscribed for RMB682,116 registered capital of the Company at a consideration of RMB60 million; (2) Nanjing Tsing Song subscribed for RMB170,529 registered capital of the Company at a consideration of RMB15 million; (3) Yimei Kangjian subscribed for RMB113,686 registered capital of the Company at a consideration of RMB10 million; and (4) Zhuhai Junlian subscribed for RMB454,744 registered capital of the Company at a consideration of RMB40 million.

For details of the Series B and Series B+ Financings, see "— Pre-**[REDACTED]** Investments" below.

(e) Equity Transfers in 2021 and 2022

On August 23, 2021, an equity transfer agreement was entered into among Qikun Partnership, Qijun Partnership and Changshu Qiming Biotechnology Partnership (Limited Partnership) (常熟啟明生物科技合夥企業(有限合夥)) ("**Changshu Qiming**"), pursuant to which (1) Qikun Partnership transferred 3.94% of equity interest in the Company to Changshu Qiming at a consideration of RMB803,000; and (2) Qijun Partnership transferred 7.87% of equity interest in the Company to Changshu Qiming at a consideration of RMB1.606 million. Each of the aforementioned consideration for the equity transfers equal the corresponding actual paid-in capital contributed for each of equity interest at the time of transfer. The consideration was determined based on the original subscription price agreed by the early investors with Mr. Li around the time of the establishment of the Company. Changshu Qiming was a shareholding platform established for the purpose of investments by such early investors during the early-stage of our Company's development. For details of Changshu Qiming, see "— Pre-**[REDACTED]** Investments — (d) Information about Our Major Pre-**[REDACTED]** Investors" below.

On May 31, 2022, an equity transfer agreement was entered into among Qijun Partnership, Nanjing Gaorong Fund V No.1 Equity Investment Partnership (Limited Partnership) (南京高榕五期一號股權投資合夥企業(有限合夥)) ("**Gaorong Fund V No.1**"), Sanya Gaorong Fund V No.2 Equity Investment Fund Partnership (Limited Partnership) (三亞高榕五期二號股權投資基金合夥企業(有限合夥)) ("**Gaorong Fund V No.2**"), Beijing Gaorong Fund IV Kangteng Equity Investment Partnership (Limited Partnership) (北京高榕四期康騰股權投資合夥企業(有限合夥)) ("**Gaorong Fund IV Kangteng**") and Chengdu Tianfu New Area Gaorong Fund IV Kangyong Investment Partnership (Limited Partnership) (成都市天府新區高榕四期康永投資合夥企業(有限合夥)) ("**Gaorong Fund IV Kangyong**"), pursuant to which Qijun Partnership transferred (1) 0.07% of equity interest in the Company to Gaorong Fund V No.1 at a consideration of RMB288,720; (2) 0.02% of equity interest in the Company to Gaorong Fund V No.2 at a

consideration of RMB96,240; (3) 0.05% of equity interest in the Company to Gaorong Fund IV Kangteng at a consideration of RMB227,387; and (4) 0.01% of equity interest in the Company to Gaorong Fund IV Kangyong at a consideration of RMB40,127. Each of the aforementioned consideration for the equity transfers was determined with reference to the original subscription price of the relevant equity interests in the Company by Qijun Partnership, and took into account the benefit of enhancing the alignment of interests between Gaorong Ventures and the Company and Gaorong Ventures' commitment to supporting the Company's long-term strategic objectives, through arm's length negotiations between the relevant parties.

(f) Series C Financing and Equity Transfers in 2022

In June 2022, our Company conducted the first tranche of Series C Financing by entering into several capital increase agreements with certain investors, pursuant to which (1) Shenzhen Tsing Song Qisi Investment Partnership (Limited Partnership) (深圳市清松啟思投資合夥企業(有限合夥)) ("**Tsing Song Qisi**") subscribed for RMB550,524 registered capital of the Company at a consideration of RMB100 million; (2) Gongqingcheng Zhibo Investment Partnership (Limited Partnership) (共青城智博投資合夥企業(有限合夥)) ("**Zhibo Investment**") subscribed for RMB55,052 registered capital of the Company at a consideration of RMB10 million; (3) Suzhou Yunzhi Biopharmaceutical Technology Partnership (Limited Partnership) (蘇州雲智生物醫藥科技合夥企業(有限合夥)) ("**Suzhou Yunzhi**") subscribed for RMB385,367 registered capital of the Company at a consideration of RMB70 million; (4) Gaorong Fund V No.1 subscribed for RMB243,607 registered capital of the Company at a consideration of RMB44.25 million; (5) Gaorong Fund V No.2 subscribed for RMB81,202 registered capital of the Company at a consideration of RMB14.75 million; (6) Gaorong Fund IV Kangteng subscribed for RMB191,858 registered capital of the Company at a consideration of RMB34.85 million; and (7) Gaorong Fund IV Kangyong subscribed for RMB33,857 registered capital of the Company at a consideration of RMB6.15 million.

To further increase our employee share incentive pool, in June 2022, our then employee incentive platform, Changshu Qiyang Biotechnology Partnership Enterprise (Limited Partnership) (常熟啓揚生物科技合夥企業(有限合夥)) ("**Changshu Qiyang**"), subscribed for RMB1,016,353 registered capital of the Company at a subscription price of RMB1 per unit of registered capital.

In August 2022, our Company conducted the second tranche of Series C Financing by entering into several capital increase agreements with certain investors, pursuant to which (1) Suzhou Houde Yida Management Consulting Partnership (Limited Partnership) (蘇州厚德易達管理諮詢合夥企業(有限合夥)) ("**Houde Yida**") subscribed for RMB99,094 registered capital of the Company at a consideration of RMB18 million; (2) Beijing Xinyin Tianrui Equity Investment Partnership (Limited Partnership) (北京信銀天睿股權投資合夥企業(有限合夥)) ("**Xinyin Tianrui**") subscribed for RMB363,346 registered capital of the Company at a consideration of RMB66 million; (3) Zhongshan Zhongke Pharmaceutical Innovation Venture Investment Partnership (Limited Partnership) (中山中科創藥創業投資合夥企業(有限合夥)) ("**Zhongke Pharma**") subscribed for RMB165,157 registered capital of the Company at a consideration of RMB30 million; (4) Zhongshan Cuiheng Venture Investment Partnership (Limited Partnership) (中山翠亨創業投資合夥企業(有限合夥)) ("**Zhongshan Cuiheng**") subscribed for RMB55,052 registered capital of the Company at a consideration of RMB10 million; (5) Gongqingcheng Fuhui Healthcare Venture Investment Partnership (Limited Partnership) (共青城富匯醫健創業投資合夥企業(有限合夥)) ("**Fuhui Healthcare**") subscribed for RMB55,052 registered capital of the Company at a consideration of RMB10 million; (6) Founder Securities Investment Co., Ltd.

(方正證券投資有限公司) ("**Founder Securities**") subscribed for RMB165,157 registered capital of the Company at a consideration of RMB30 million; and (7) Shanghai Zhengfan Technology Co., Ltd. (上海正帆科技股份有限公司) ("**Zhengfan Technology**") subscribed for RMB55,052 registered capital of the Company at a consideration of RMB10 million. For details of the Series C Financing, see "— Pre-**[REDACTED]** Investments" below.

On December 19, 2022, Qikun Partnership transferred its 5.1859% equity interest in the Company to Qiheng Partnership at a consideration of RMB1.5 million, as a result of the capital structure adjustment among the Employee Incentive Platforms with reference to the paid-in capital contributed for each of equity interest at the time of transfer.

(g) Series C+ Financing and subsequent shareholding changes

On January 20, 2023, the Company and its then Shareholders entered into capital increase agreements with each of Jiaxing Dingyun Venture Capital Partnership (Limited Partnership) (嘉興鼎韞創業投資合夥企業(有限合夥)) ("**Eastern Bell Capital**") and Anyuan Innovation (Bozhou) Investment Fund Partnership (Limited Partnership) (安元創新(亳州)投資基金合夥企業(有限合夥)) ("**Ancheng Capital**"), pursuant to which (1) Eastern Bell Capital subscribed for RMB210,360 registered capital of the Company at a consideration of RMB40 million; and (2) Ancheng Capital subscribed for RMB105,180 registered capital of the Company at a consideration of RMB20 million.

On December 29, 2023, our Company conducted the second tranche of Series C+ Financing by entering into several capital increase agreements with certain investors, pursuant to which (1) Shenzhen Yunqi No.3 Venture Capital Center (Limited Partnership) (深圳雲起三號創業投資中心(有限合夥)) ("**Yunqi No.3**") subscribed for RMB78,885 registered capital of the Company at a consideration of RMB15 million; (2) Changshu Shengqing Venture Capital Partnership (Limited Partnership) (常熟晟清創業投資合夥企業(有限合夥)) ("**Shengqing Capital**") subscribed for RMB525,901 registered capital of the Company at a consideration of RMB100 million; and (3) Quzhou Zhizao Xinye Equity Investment Partnership (Limited Partnership) (衢州智造新業股權投資合夥企業(有限合夥)) ("**Xinye Capital**") subscribed for RMB525,901 registered capital of the Company at a consideration of RMB100 million.

In March 2024, Suzhou Yunzhi entered into equity transfer agreements with each of Tsing Song Qisi and Shenzhen Yunqi No.4 Venture Capital Center (Limited Partnership) (深圳雲起肆號創業投資中心(有限合夥)) ("**Yunqi No.4**"), pursuant to which Suzhou Yunzhi transferred (1) 0.1274% equity interest in the Company to Tsing Song Qisi at a consideration of RMB5.15 million; and (2) 0.3711% equity interest in the Company to Yunqi No.4 at a consideration of RMB15 million. The consideration of aforementioned equity transfers were determined based on arm's length negotiations between the parties with reference to the subscription price in Series C+ Financing.

On July 4, 2024, a capital increase agreement was entered into by the Company, its then Shareholders and Zhejiang Ruijian Kexing Venture Capital Fund Partnership (Limited Partnership) (浙江睿健科興創業投資基金合夥企業(有限合夥)) ("**Ruijian Kexing**"), pursuant to which Ruijian Kexing subscribed for RMB709,966 registered capital of the Company at a consideration of RMB135 million. For details of the Series C+ Financing, see "— Pre-**[REDACTED]** Investments" below.

The shareholding and corporate structure of our Group immediately after the above steps is set forth in "— Capitalization of our Company" and "— Corporate Structure Immediately Before the Completion of the **[REDACTED]**" below.

(h) Conversion of Our Company into a Joint Stock Limited Company in January 2026

On January 21, 2026, the Company was converted into a joint stock company with its corporate name changed to Intellective Biologics (Suzhou) Co., Ltd. (智享生物(蘇州)股份有限公司). Upon the completion of the conversion, the registered capital of the Company became RMB31,080,736 divided into 31,080,736 Shares with a nominal value of RMB1.00 each.

(i) Equity Transfer in March 2026

On March 13, 2026, an equity transfer agreement was entered into between Founder Securities and Jiangsu Lvpin Food Distribution Sales Co., Ltd. (江蘇綠品食品配送有限公司) ("**Jiangsu Lvpin**"), pursuant to which Founder Securities transferred 0.53% equity interest in our Company to Jiangsu Lvpin at a consideration of RMB30,000,000 with reference to the subscription price in Series C Financing. The aforementioned equity transfer was completed on Marh 18, 2026.

SHARE SUBDIVISION

We expect to conduct the Share Subdivision immediately prior to the **[REDACTED]**, pursuant to which each of our Share with par value of RMB1.00 will be subdivided into 10 Shares with par value of RMB0.10 each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB31,080,736, will be divided into 310,807,360 Shares with par value of RMB0.10 per Share, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the **[REDACTED]**, and the number of our issued Shares will be 310,807,360, without taking into consideration the new Shares to be **[REDACTED]** for the **[REDACTED]**.

MERGER AND ACQUISITION

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any material acquisitions, mergers or disposals.

PRE-[REDACTED] INVESTMENTS

Our Company obtained several rounds of investments from the Pre-**[REDACTED]** Investors. For details, see "— Establishment and Major Shareholding Changes of Our Company" above.

(a) Principal Terms of the Pre-[REDACTED] Investments

The following table summarizes the key terms of the Pre-**[REDACTED]** Investments to our Company made by the Pre-**[REDACTED]** Investors:

	Series A Financing	Series A+ Financing	Series B Financing	Series B+ Financing	Series C Financing	Series C+ Financing
Date of agreement(s)	November 11, 2020	May 7, 2021	June 28, 2021	July 12, 2021	June 20, 2022, June 26, 2022, August 11, 2022 and August 18, 2022	January 20, 2023, December 29, 2023 and July 4, 2024
Amount of registered capital subscribed for *(RMB)*	2,157,995	830,207	999,536	1,421,075	2,499,377	2,156,193
Amount of consideration paid *(RMB)*	112 million	50 million	80 million	125 million	454 million	410 million
Date of last payment of consideration in full	December 29, 2020	May 28, 2021	June 30, 2021	August 2, 2021	February 10, 2023	July 17, 2024
Approximate cost per Share[(1)] *(RMB)*	5.19	6.02	8.00	8.80	18.17	19.02

	Series A Financing	Series A+ Financing	Series B Financing	Series B+ Financing	Series C Financing	Series C+ Financing
Approximate discount to the **[REDACTED]**[(2)]	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%
Post-money valuation of our Company *(RMB)*[(3)]	RMB1,150,000,000	RMB1,384,486,665	RMB1,919,909,910	RMB2,235,000,000	RMB5,254,000,000	RMB5,910,000,000
Basis of determination of valuation and consideration	The valuation and consideration for each round of Pre-**[REDACTED]** Investments were determined based on arm's length negotiation between the respective Pre-**[REDACTED]** Investors and our Company after taking into account of the timing of the investments and the status of our business operations and prospect.					
Lock-up period	Pursuant to applicable PRC law, within 12 months following the **[REDACTED]**, all existing Shareholders (including the Pre-**[REDACTED]** Investors) shall not dispose of any of the Shares issued prior to the **[REDACTED]** and held by them.					
Use of proceeds from the Pre-**[REDACTED]** Investments	We utilized the proceeds from the Pre-**[REDACTED]** Investments for the principal business of our Group, including capacity expansion, the development of our technology platforms and funding our daily operations. As of the Latest Practicable Date, all net proceeds from the Pre-**[REDACTED]** Investments had been utilized.					
Strategic benefits to our Company brought by the Pre-**[REDACTED]** Investors	At the time of the Pre-**[REDACTED]** Investors' investment, our Directors were of the view that our Company could benefit from (i) the additional capital provided by the Pre-**[REDACTED]** Investors and (ii) the Pre-**[REDACTED]** Investors' commitment to our Group as their investments demonstrate their confidence in the operation of our Group and serve as an endorsement of our Group's performance, strength and prospects.					

Notes:

(1) The cost per Share is calculated based on dividing the consideration by the number of Shares subscribed or acquired as adjusted by the Share Subdivision to be undertaken immediately prior to the **[REDACTED]**, to facilitate the illustration of premium or discount to the **[REDACTED]**.

(2) The discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**), assuming that the **[REDACTED]** is not exercised.

(3) The primary reasons for the material increase in the valuation of our Company are set forth below:

(i) the increase in the valuation of our Company from Series A Financing to Series A+ Financing was primarily due to the fact that our manufacturing facility in Suzhou Xiangcheng firstly obtained EU QP certification and was certified under the ISO 9001:2015 quality management system valid for three years in December 2020;

(ii) the increase in the valuation of our Company from Series A+ Financing to Series B Financing was primarily due to the fact that we entered our first commercialized project, as our transition from development to manufacturing;

(iii) the increase in the valuation of our Company from Series B Financing to Series B+ Financing was primarily due to the positive market assessment on the business prospects of biotech industry and our business performance;

(iv) the increase in the valuation of our Company from Series B+ Financing to Series C Financing was primarily due to the fact that (i) our revenue for the year 2021 reached approximately RMB280 million, doubling compared to the preceding year; (ii) our new orders signed in 2021 exceeded RMB700 million, representing a significant increase compared to the preceding year; (iii) we were recognized as High and New Technology Enterprise in November 2021; and (iv) our manufacturing facility in Suzhou Industrial Park, has been granted the Drug Manufacturing License in June 2022; and

(v) the increase in the valuation of our Company from Series C Financing to Series C+ Financing was primarily due to the continued growth in our production capacity, order and revenue and the further expansion of our business since Series C Financing.

(b) Special Rights of the Pre-[REDACTED] Investors

Pursuant to the shareholders' agreement entered into among our Company and our Shareholders, the Pre-**[REDACTED]** Investors were granted certain customary special rights, including, among others, pre-emptive and co-sale rights, anti-dilution rights, redemption rights, drag-along rights, liquidation rights, and information rights.

Pursuant to an amendment to the Series C+ shareholders' agreement entered into by our Company and our Shareholders on December 31, 2025, the redemption rights were automatically terminated from the date preceding our Company's first submission of the **[REDACTED]** form to the Stock Exchange (the "**[REDACTED]**"), and all other special rights available to our Pre-**[REDACTED]** Investors will be terminated upon the **[REDACTED]**. The redemption rights shall be automatically reinstated upon the earliest of: (i) the **[REDACTED]** of the Company is rejected, refused, or returned; (ii) the Company voluntarily withdraws the **[REDACTED]** or the sponsor withdraws its **[REDACTED]** sponsorship for the Company; (iii) the Company receives a decision from the relevant stock exchange or regulatory authority not to approve the **[REDACTED]** or the **[REDACTED]** of the Company's Shares (or such approval is revoked); (iv) the **[REDACTED]** lapses and is not renewed within six months (subject to the submission of an extension application); or (v) the **[REDACTED]** is not completed within 20 months after the initial submission of the **[REDACTED]**.

(c) Compliance with Chapter 4.2 of the Guide

On the basis that (i) the respective consideration for the Pre-**[REDACTED]** Investments was settled more than 28 clear days before the date of the first submission of the **[REDACTED]** and (ii) redemption rights were automatically terminated from the date preceding the **[REDACTED]**, and all other special rights available to our Pre-**[REDACTED]** Investors will be terminated upon the **[REDACTED]**, the Sole Sponsor confirms that the Pre-**[REDACTED]** Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange.

(d) Information about Our Major Pre-[REDACTED] Investors

Set out below are details of our major Pre-**[REDACTED]** Investors who held more than 1.0% of the total issued share capital of our Company or were not Independent Third Parties as of the Latest Practicable Date.

To the best knowledge of our Directors, save as otherwise disclosed below, each of our Pre-**[REDACTED]** Investors is an Independent Third Party.

Ruijian Kexing

Ruijian Kexing is a limited partnership established in the PRC, primarily engaged in investment and asset management. The general partner of Ruijian Kexing is Chongqing Kebinghui Enterprise Management Partnership (Limited Partnership) (重慶科冰匯企業管理合夥企業(有限合夥)) ("**Chongqing Kebinghui**"). The general partner of Chongqing Kebinghui is Chongqing Kexing Science and Technology Innovation Equity Investment Fund Management Co., Ltd. (重慶科興科創股權投資基金管理有限公司) ("**Chongqing Kexing**"). As of the Latest Practicable Date, there were six shareholders, with its largest shareholder, being Chongqing Baikehui Enterprise Management Consulting Co., Ltd. (重慶百科匯企業管理諮詢有限公司), holding approximately 45.44% of the equity interest and controlled by Zhao Chunlin (趙春林), an Independent Third Party. None of the other shareholders in Chongqing Kexing held 30% or more equity interest as of the Latest Practicable Date. There is only one limited partner in Chongqing Kebinghui, being Shanghai Binghai Investment Management Co., Ltd. (上海冰海投資管理有限公司), holding approximately 49% of its partnership interest and owned as to 95.0% by Zhu Minxia (朱敏霞) and 5.0% by Yang Shuai (楊帥), both of whom are Independent Third Parties.

There are two limited partners in Ruijian Kexing: Quzhou Intelligent Manufacturing Industry Investment Group Co., Ltd. (衢州智造產業投資集團有限公司), holding approximately 48.91% partnership interest; and Quzhou Xin'an Zhonghe Equity Investment Fund Partnership Enterprise (Limited Partnership) (衢州信安眾和股權投資基金合夥企業(有限合夥)), holding approximately 48.91% partnership interest. Both of the aforementioned limited partners are indirectly owned by Quzhou Municipal People's Government State-owned Assets Supervision and Administration Commission (衢州市人民政府國有資產監督管理委員會).

Xinye Capital

Xinye Capital is a limited partnership established in the PRC, primarily engaged in equity investment. The general partner of Xinye Capital is Quzhou State Owned Assets Xin'an Capital Management Co., Ltd. (衢州市國資信安資本管理有限公司). As of the Latest Practicable Date, Xinye Capital has only one limited partner, being Quzhou Zhisheng Industrial Investment Co., Ltd. (衢州智盛產業投資有限公司), holding approximately 99.99% partnership interest. Both the general and limited partners of Xinye Capital are ultimately controlled by Quzhou Municipal People's Government State-owned Assets Supervision and Administration Commission.

Tsing Song Capital

Shengqing Capital

Shengqing Capital is a limited partnership established in the PRC, primarily engaged in venture capital and equity investment. The general partner of Shengqing Fund is Hainan Qingdong Investment Co., Ltd. (海南清東投資有限公司) ("**Hainan Qingdong**"), a wholly owned subsidiary of Zhejiang Tsing Song Investment Management Co., Ltd. (浙江清松投資管理有限公司) ("**Zhejiang Tsing Song**"). Zhejiang Tsing Song is ultimately controlled by Zhang Song (張松), an Independent Third Party. As of the Latest Practicable Date, there was one limited partner in Shengqing Capital, being Changshu Southeast Industrial Investment Co., Ltd. (常熟東南產業投資有限公司), holding approximately 99.04% partnership interest and indirectly controlled by Changshu Municipal Finance Bureau (Changshu Municipal Government State-owned Assets Supervision and Management Office) (常熟市財政局(常熟市政府國營資產監督管理辦公室)).

Tsing Song Qisi

Tsing Song Qisi is a limited partnership established in the PRC, primarily engaged in venture capital. The general partner of Tsing Song Qisi is Hainan Qingdong. As of the Latest Practicable Date, there were three limited partners in Tsing Song Qisi, among which Yixing Jiamao Enterprise Management Partnership (Limited Partnership) (宜興嘉茂企業管理合夥企業(有限合夥)) ("**Yixing Jiamao**") holds approximately 35.77% partnership interest and Pingtan Tsing Song Qize Venture Capital Partnership (Limited Partnership) (平潭清松啟澤創業投資合夥企業(有限合夥)) ("**Pingtan Tsing Song**") holds approximately 34.77% partnership interest, respectively. As of the Latest Practicable Date, none of the other limited partner of Tsing Song Qisi holds 30% or more partnership interest. The general partner of Yixing Jiamao is Nanjing Oprotin Biotechnology Co., Ltd. (南京奧普羅汀生物科技有限公司), which is wholly owned by Wang Lingjuan (王玲娟). The general partner of Pingtan Tsing Song is Hainan Qingdong.

Nanjing Tsing Song

Nanjing Tsing Song is a limited partnership established in the PRC, primarily engaged in private equity. The general partner of Nanjing Tsing Song is Zhejiang Tsing Song Investment Management Co., Ltd. (浙江清松投資管理有限公司), which is ultimately controlled by Zhang Song. As of the Latest Practicable Date, there were 13 limited partners in Nanjing Tsing Song, none of which holds 30% or more partnership interest.

Gaorong Ventures

Gaorong Fund V No. 1

Gaorong Fund V No. 1 is a limited partnership established in the PRC, primarily engaged in equity investment. The general partner of Gaorong Fund V No. 1 is Nanjing Gaorong Rongcheng Management Consulting Co., Ltd. (南京高榕榕成管理諮詢有限公司) ("**Nanjing Gaorong**"). Nanjing Gaorong is ultimately owned as to approximately 33.34% by Zhang Zhen (張震), approximately 33.33% by Yue Bin (嶽斌), and approximately 33.33% by Gao Xiang (高翔), all of whom are Independent Third Party.

As of the Latest Practicable Date, there were 30 limited partners in Gaorong Fund V No. 1, none of which holds 30% or more partnership interest.

Gaorong Fund V No. 2

Gaorong Fund V No. 2 is a limited partnership established in the PRC, primarily engaged in equity investment. The general partner of Gaorong Fund V No. 2 is Sanya Ronghong Management Consulting Co., Ltd. (三亞榕鴻管理諮詢有限公司). Sanya Ronghong Management Consulting Co., Ltd. is a wholly owned subsidiary of Beijing Gaorong Capital Management Consulting Co., Ltd. (北京高榕資本管理諮詢有限公司) ("**Beijing Gaorong Capital**"), which is owned as 33.34% by Zhang Zhen (張震), approximately 33.33% by Yue Bin (嶽斌), and approximately 33.33% by Gao Xiang (高翔), all of whom are Independent Third Parties.

As of the Latest Practicable Date, there were six limited partners in Gaorong Fund V No. 2, among which Taikang Life Insurance Co., Ltd. (泰康人壽保險有限責任公司) ("**Taikang Life Insurance**")and Taibao Health Industry Private Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership) (太保大健康產業私募投資基金(上海)合夥企業(有限合夥) ("**Taibao Health**") holding approximately 30.56% and 30.56% partnership interest, respectively. None of the other limited partners in Gaorong Fund V No.2 held 30% or more partnership interest. Taikang Life Insurance is a wholly owned subsidiary of Taikang Insurance Group Inc. (泰康保險集團股份有限公司) ("**Taikang Insurance**"). To the best knowledge of our Directors, each of Taikang Insurance and its ultimate controller is an Independent Third Party. The general partner of Taibao Health in Taibao Private Equity Fund Management Co., Ltd. (太保私募基金管理有限公司), which is ultimately controlled by China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司) ("**China Pacific Insurance**"), a company listed on the Stock Exchange (stock code: 02601.HK) and Shanghai Stock Exchange (stock code: 601601.SH).

Gaorong Fund IV Kangteng

Gaorong Fund IV Kangteng is a limited partnership established in the PRC, primarily engaged in equity investment. The general partner of Gaorong Fund IV Kangteng is Beijing Gaorong Capital. As of the Latest Practicable Date, there were 37 limited partners in Gaorong Fund IV Kangteng, none of which holds 30% or more partnership interest.

Gaorong Fund IV Kangyong

Gaorong Fund IV Kangyong is a limited partnership established in the PRC, primarily engaged in equity investment. The general partner of Gaorong Fund IV Kangyong is Xizang Rongkang Investment Management Co., Ltd. (西藏榕康投資管理有限公司), which is an indirectly wholly owned subsidiary of Beijing Gaorong Capital. As of the Latest Practicable Date, there were five limited partners in Gaorong Fund IV Kangyong, with its largest limited partner, Taikang Life Insurance, holding approximately 65.36% partnership interest. Taikang Life Insurance is a wholly owned subsidiary of Taikang Insurance. None of the other limited partners in Gaorong Fund IV Kangyong hold 30% or more partnership interest.

Xinyin Tianrui

Xinyin Tianrui is a limited partnership established in the PRC, primarily engaged in equity investment and management. The general partner of Xinyin Tianrui is Shanghai Xinyin Haisi Investment Management Co., Ltd. (上海信銀海絲投資管理有限公司), which is an indirect wholly owned subsidiary of China CITIC Bank Corporation Limited (中信銀行股份有限公司) ("**CNBC**"), a company dually listed on the Stock Exchange (stock code: 0998.HK) and the Shanghai Stock Exchange (stock code: 601998.SH).

As of the Latest Practicable Date, there was one limited partner in Xinyin Tianrui, being Wenzhou Xinjing Equity Investment Partnership (Limited Partnership) (溫州信旌股權投資合夥企業(有限合夥)) ("**Wenzhou Xinjing**"), which holds approximately 99.86% partnership interest. The general partner of Wenzhou Xinjing is XinKan (Shanghai) Equity Investment Management Partnership (Limited Partnership) (信瞰(上海)股權投資管理合夥企業(有限合夥)), which is indirectly wholly owned by CNBC. As of the Latest Practicable Date, there were two limited partners in Wenzhou Xinjing, with the largest limited partner, CNCB (Hong Kong) Investment Limited, holding approximately 99.97% partnership interest and wholly owned subsidiary of CNBC.

BioTrack Capital

Suzhou Borui

Suzhou Borui is a limited partnership established in the PRC, primarily engaged in equity investment. The executive partner of Suzhou Borui is Nanjing Borui Mingye Phase II Equity Investment Management Partnership Enterprise (Limited Partnership) (南京博睿銘業二期股權投資管理合夥企業(有限合夥)) ("**Nanjing Borui Mingye**"), which is ultimately controlled by an Independent Third Party.

As of the Latest Practicable Date, there were two limited partners in Suzhou Borui, Suzhou Boyuan Houcheng Phase II Equity Investment Partnership Enterprise (Limited Partnership) (蘇州博遠厚誠二期股權投資合夥企業(有限合夥)) ("**Suzhou Boyuan**") and Nanjing Borui Jiatai Phase II Equity Investment Partnership (L.P.) (南京博睿嘉泰二期股權投資合夥企業(有限合夥)) ("**Nanjing Borui Jiatai**"), holding approximately 56.39% and 43.60% partnership interest, respectively.

Chengdu Boyuan

Chengdu Boyuan is a limited partnership established in the PRC, primarily engaged in venture capital. The executive partner of Chengdu Boyuan is Shanghai Borui Jiatian Enterprise Management Partnership (Limited Partnership) (上海博睿嘉天企業管理合夥企業(有限合夥)) ("**Shanghai Borui**"), which is ultimately controlled by an Independent Third Party.

As of the Latest Practicable Date, there were 28 limited partners in Chengdu Boyuan, none of which holds 30% or more partnership interest.

Legend Capital

Zhuhai Junlian

Zhuhai Junlian is a limited partnership established in the PRC, primarily engaged in private equity. The general partner of Zhuhai Junlian is Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) ("**Lhasa Junqi**"), which is a wholly owned subsidiary of Legend Capital Co., Ltd. (君聯資本管理股份有限公司) ("**Legend Capital**"). Legend Capital is owned as to 80% by Beijing Juncheng Hezhong Investment Management Partnership Enterprise (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)) ("**Beijing Juncheng**") and 20% by Legend Holdings Corporation (聯想控股股份有限公司), a company listed on the Stock Exchange (stock code: 3396.HK). The general partner of Beijing Juncheng is Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司) ("**Beijing Junqi**"), which is controlled by Chen Hao (陳浩), an Independent Third Party. Beijing Juncheng has 13 individual limited partners, and none of the other limited partners holding 30% or more partnership interest.

Beijing Junlian

Beijing Junlian is a limited partnership established in the PRC, primarily engaged in investment and asset management. The general partner of Beijing Junlian is Lhasa Junqi. As of the Latest Practicable Date, there were 44 limited partners in Beijing Junlian, none of which holds 30% or more partnership interest.

Yimei Kangjian

Yimei Kangjian is a limited partnership established in the PRC, primarily engaged in hospital project investment management and investment consulting. The general partner of Yimei Kangjian is Xu Tian (徐天). As of the Latest Practicable Date, there was one limited partner in Yimei Kangjian, being Zhao Xiaochuan (趙曉川), holding 99.00% partnership interest. Both of the aforementioned individuals are Independent Third Parties.

Shiyu Capital

Shiyu Capital is a limited partnership established in the PRC, primarily engaged in equity and industrial investments in the innovative pharmaceutical industry and related pharmaceutical and medical industries and venture capital investment. The general partner of Shiyu Capital is Ningbo Meishan Bonded Port Zone Qiyu Equity Investment Management Partnership Enterprise (Limited Partnership) (寧波梅山保稅港區齊玉股權投資管理合夥企業(有限合夥)), which is controlled by Yang Hongbing (楊紅冰), an Independent Third Party. As of the Latest Practicable Date, there were 20 limited partners in Shiyu Capital, none of which holds 30% or more partnership interest.

Changshu Qiming

Changshu Qiming is a limited partnership established in the PRC, primarily engaged in technical services and consulting. The general partner of Changshu Qiming is Yan Rongqing (顏容青), sister-in-law of Mr. Li. As of the Latest Practicable Date, there were 23 limited partners in Changshu Qiming, with the largest limited partner, Huang Qiong (黃瓊) being our executive Director, holding 40.00% partnership interest. Among the other limited partners, Mr. Li directly and indirectly held a total of approximately 2.80% partnership interest; and Mr. Li Zujian (李祖建), cousin of Mr. Li, held approximately 0.20%

partnership interest. Save for the aforementioned, all of the other limited partners are Independent Third Parties and none of them holds 30% or more partnership interest in Changshu Qiming.

PUBLIC FLOAT AND FREE FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, the market capitalization of our Shares upon the **[REDACTED]** is expected to be over HK$6 billion but not exceeding HK$30 billion based on the low-end, midpoint and high-end of the indicative **[REDACTED]** range. Accordingly, the minimum prescribed percentage of the Shares which must be H Shares held by the public is determined at the higher of (i) the percentage that would result in the expected market value of the H Shares held by the public to be HK$1,500,000,000 at the time of **[REDACTED]**, representing **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the total issued Shares upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), based on the low end, mid point and high end of the indicative **[REDACTED]** range, respectively; and (ii) 15%. As such, the minimum public float percentage applicable to our Shares should be **[REDACTED]**%.

Upon the completion of the Share Subdivision and the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and the conversion of Unlisted Shares into H Shares, the **[REDACTED]** Unlisted Shares held by our Shareholder, representing approximately **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), will not be considered as part of the public float as the Shares are Unlisted Shares which will not be converted into H Shares and **[REDACTED]** on the Stock Exchange following the completion of the **[REDACTED]**. In addition, the H Shares held by certain of our Shareholders who are our core connected persons or directly or indirectly controlled by our core connected persons will not be counted towards the public float. Details of these Shareholders are set out below:

- Mr. Li, our executive Director, holding approximately **[REDACTED]**% of the total issued Shares upon the completion of the **[REDACTED]**;
- Suzhou Zhilihui, which is wholly owned by Mr. Li, holding approximately **[REDACTED]**% of the total issued Shares upon the completion of the **[REDACTED]**;
- Qikun Partnership, Qiheng Partnership, Qihao Partnership and Qide Partnership, being our Employee Incentive Platforms, where Mr. Li is the ultimate beneficial owner of Huide Information Technology who is the general partner of Changshu Qiyang and/or holds over 30% partnership interest as a limited partner, aggregately holding **[REDACTED]**% of the total issued Shares upon the completion of the **[REDACTED]**;
- Changshu Qiyang, where Mr. Li is the ultimate beneficial owner of Huide Information Technology who is the general partner of Changshu Qiyang, holding approximately **[REDACTED]**% of the total issued Shares upon the completion of the **[REDACTED]**;
- Qijun Partnership, where Mr. Li is the ultimate beneficial owner of Huide Information Technology who is the general partner of Qijun Partnership, holding approximately **[REDACTED]**% of the total issued Shares upon the completion of the **[REDACTED]**;
- Suzhou Yunzhi, the general partner of which is Ms. Huang Qiong, our executive Director, holding approximately **[REDACTED]**% of the total issued Shares upon the completion of the **[REDACTED]**; and

- Changshu Qiming, where Ms. Huang Qiong, our executive Director holds over 30% limited partnership interest, holding approximately **[REDACTED]**% of the total issued Shares upon the completion of the **[REDACTED]**.

To the best of knowledge of our Director, save as disclosed above, immediately upon the completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised, **[REDACTED]** H Shares held or controlled by our Shareholders who are not our core connected persons, representing approximately representing **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]** will be counted as part of the public float. Therefore, our Company will be able to satisfy the minimum public float requirement under Rule 19A.13A of the Listing Rules.

Under Rule 19A.13C of the Listing Rules, a PRC issuer with no other listed shares must ensure that a portion of the total number of its H shares for which listing is sought that are held by the public and not subject to any disposal restrictions must, at the time of listing (i) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000, or (ii) have a market capitalization of at least HK$600,000,000. It is expected that immediately following completion of the **[REDACTED]**, the number of H Shares **[REDACTED]** on the Stock Exchange that are not subject to any disposal restrictions at the time of the **[REDACTED]** will represent **[REDACTED]**% of the total issued Shares of the Company, with an expected market value of HK$**[REDACTED]** million, HK$**[REDACTED]** million and HK$**[REDACTED]** million, based on the low-end, mid-point and high-end of the indicative **[REDACTED]** range set out in this document, respectively. Accordingly, our Company [will be able to satisfy] the free float requirements under Rule 19A.13C of the Listing Rules.

SHARE INCENTIVE SCHEME

As of the Latest Practicable Date, we had one share incentive scheme, namely the Pre-**[REDACTED]** Share Incentive Scheme, the terms of which are not subject to the provisions of Chapter 17 of the Listing Rules. For further details, see "Statutory and General Information — D. Pre-**[REDACTED]** Share Incentive Scheme" in Appendix V to this Document.

CAPITALIZATION OF OUR COMPANY

Our Company has applied for H-share full circulation to convert certain of the Unlisted Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of 302,505,290 Unlisted Shares (taking into account the Share Subdivision) held by our existing Shareholders, representing approximately **[REDACTED]**% of total issued Share capital of the Company upon completion of the conversion of Unlisted Shares into H Shares and the **[REDACTED]**. Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Unlisted Shares into H Shares. For further details, see "Share Capital."

The table below is a summary of the capitalization of our Company upon completion of the conversion of the Unlisted Shares into H Shares and the **[REDACTED]**:

	As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] (taking into account the Share Subdivision) and conversion of the Unlisted Shares into H Shares		
Shareholder	**Number of Unlisted Shares**	**Approximate shareholding percentage**	**Number of Unlisted Shares**	**Number of H Shares**	**Approximate shareholding percentage**
		(%)			*(%)*
Mr. Li	2,013,100	6.48	—	20,131,000	**[REDACTED]**
Qide Partnership	1,000,000	3.22	—	10,000,000	**[REDACTED]**
Qihao Partnership	1,000,000	3.22	—	10,000,000	**[REDACTED]**
Qijun Partnership	961,887	3.09	—	9,618,870	**[REDACTED]**
Qikun Partnership	515,800	1.66	—	5,158,000	**[REDACTED]**
Qiheng Partnership	1,500,000	4.83	—	15,000,000	**[REDACTED]**
Suzhou Zhilihui	9,971,100	32.08	—	99,711,000	**[REDACTED]**
Changshu Qiyang[(1)]	1,016,353	3.27	—	10,163,530	**[REDACTED]**
Subtotal of Controlling Shareholders	***17,978,240***	***57.84***	**—**	***179,782,400***	**[REDACTED]**
Legend Capital	***2,034,705***	***6.54***	**—**	***20,347,050***	**[REDACTED]**
Beijing Junlian	1,579,961	5.08	—	15,799,610	**[REDACTED]**
Zhuhai Junlian	454,744	1.46	—	4,547,440	**[REDACTED]**
BioTrack Capital	***971,333***	***3.12***	**—**	***9,711,330***	**[REDACTED]**
Chengdu Boyuan	289,017	0.93	—	2,890,170	**[REDACTED]**
Suzhou Borui	682,116	2.19	—	6,821,160	**[REDACTED]**
Tsing Song Capital	***1,574,662***	***5.07***	**—**	***15,746,620***	**[REDACTED]**
Nanjing Tsing Song	459,546	1.48	—	4,595,460	**[REDACTED]**
Tsing Song Qisi	589,215	1.90	—	5,892,150	**[REDACTED]**
Shengqing Capital	525,901	1.69	—	5,259,010	**[REDACTED]**
Yimei Kangjian[(2)]	**943,893**	**3.04**	**8,302,070**	**1,136,860**	**[REDACTED]**
Shiyu Capital	**999,536**	**3.22**	**—**	**9,995,360**	**[REDACTED]**
Changshu Qiming	**3,000,000**	**9.65**	**—**	**30,000,000**	**[REDACTED]**
Gaorong Ventures	***588,637***	***1.90***	**—**	***5,886,370***	**[REDACTED]**
Gaorong Fund V No.1	260,472	0.84	—	2,604,720	**[REDACTED]**
Gaorong Fund V No.2	86,824	0.28	—	868,240	**[REDACTED]**
Gaorong Fund IV Kangteng	205,140	0.66	—	2,051,400	**[REDACTED]**
Gaorong Fund IV Kangyong	36,201	0.12	—	362,010	**[REDACTED]**
Zhibo Investment[(2)]	**55,052**	**0.18**	**—**	**550,520**	**[REDACTED]**
Suzhou Yunzhi	**233,970**	**0.75**	**—**	**2,339,700**	**[REDACTED]**
Houde Yida	**99,094**	**0.32**	**—**	**990,940**	**[REDACTED]**
Xinyin Tianrui	**363,346**	**1.17**	**—**	**3,633,460**	**[REDACTED]**
Zhongke Pharma	**165,157**	**0.53**	**—**	**1,651,570**	**[REDACTED]**
Zhongshan Cuiheng	**55,052**	**0.18**	**—**	**550,520**	**[REDACTED]**
Fuhui Healthcare	**55,052**	**0.18**	**—**	**550,520**	**[REDACTED]**
Jiangsu Lvpin	**165,157**	**0.53**	**—**	**1,651,570**	**[REDACTED]**
Zhengfan Technology	**55,052**	**0.18**	**—**	**550,520**	**[REDACTED]**
Eastern Bell Capital	**210,360**	**0.68**	**—**	**2,103,600**	**[REDACTED]**
Ancheng Capital	**105,180**	**0.34**	**—**	**1,051,800**	**[REDACTED]**
Yunqi Investment	***191,591***	***0.61***	**—**	***1,915,910***	**[REDACTED]**
Yunqi No.3	78,885	0.25	—	788,850	**[REDACTED]**
Yunqi No.4	112,706	0.36	—	1,127,060	**[REDACTED]**
Xinye Capital	**525,901**	**1.69**	**—**	**5,259,010**	**[REDACTED]**
Ruijian Kexing	**709,966**	**2.28**	**—**	**7,099,660**	**[REDACTED]**
Sub-total	**31,080,736**	**100.00**	**8,302,070**	**302,505,290**	**[REDACTED]**
[REDACTED] participating in the **[REDACTED]**	**—**	**—**	**—**	**[REDACTED]**	**[REDACTED]**

	As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] (taking into account the Share Subdivision) and conversion of the Unlisted Shares into H Shares		
Shareholder	**Number of Unlisted Shares**	**Approximate shareholding percentage**	**Number of Unlisted Shares**	**Number of H Shares**	**Approximate shareholding percentage**
		(%)			*(%)*
Total:	**31,080,736**	**100.00**	**8,302,070**	**[REDACTED]**	**100.00**

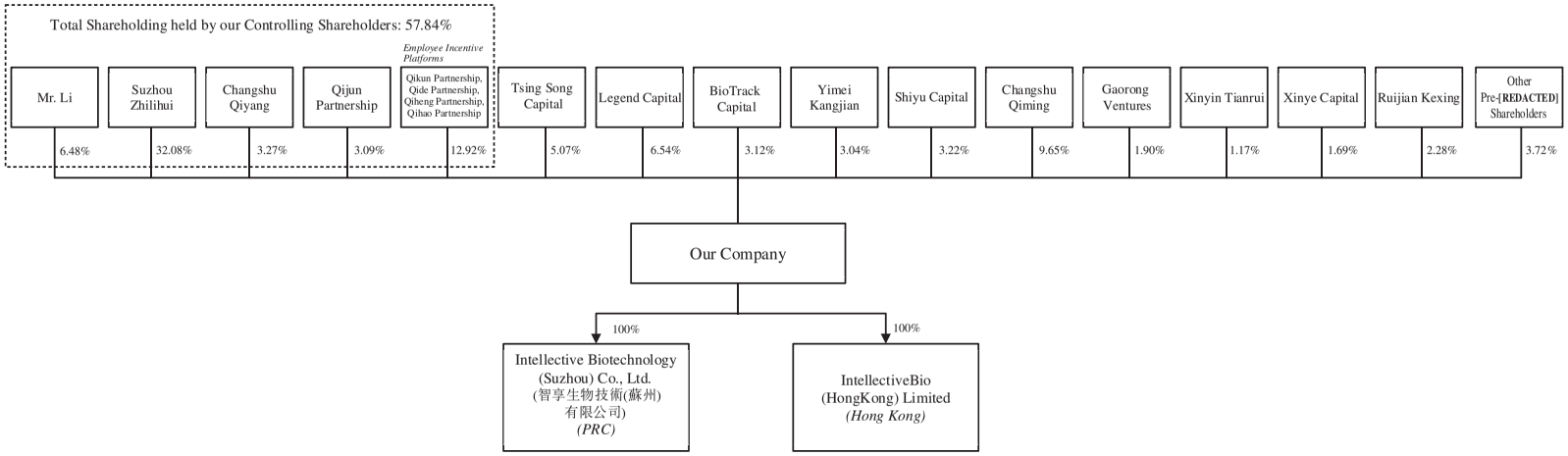
Notes:

(1) Changshu Qiyang, a limited partnership established in the PRC on May 19, 2022, previously functioned as one of our employee incentive platforms during the early-stage of our Company's development. Changshu Qiyang ceased to function as an employee incentive platform and has not been subject to any share incentive scheme since January 2026 pursuant to resolutions passed by the Board on January 3, 2026. The general partner of Changshu Qiyang is Huide Information Technology. As of the Latest Practicable Date, there were 11 limited partners in Changshu Qiyang, with Mr. Li, being the largest limited partner, holding approximately 76.43% partnership interest. The remaining limited partners in Changshu Qiyang are employees, former employees or Independent Third Parties, as certain employees transferred their vested incentive interests to third parties.

(2) On June 6, 2023, Yimei Kangjian pledged 2.839% equity interest in the Company held by it to an Independent Third Party for its own financing purpose, which is equivalent to RMB830,207 registered capital of our Company. As of the Latest Practicable Date, such pledge had not been released.

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The chart below sets out the corporate structure of our Company and its subsidiaries immediately before the completion of the **[REDACTED]**:

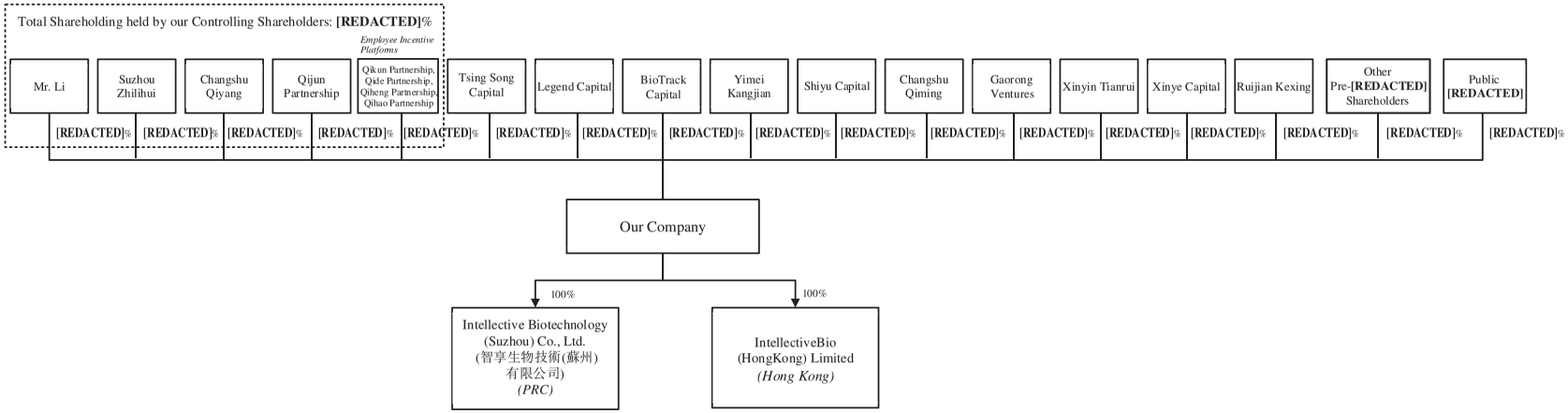


Note:

(1) Other Pre-**[REDACTED]** Shareholders include Zhibo Investment, Suzhou Yunzhi, Houde Yida, Zhongke Pharma, Zhongshan Cuiheng, Fuhui Healthcare, Jiangsu Lvpin, Zhengfan Technology, Eastern Bell Capital, Ancheng Capital and Yunqi Investment. For background and shareholding details of such Pre-**[REDACTED]** Shareholders, see "— Pre-**[REDACTED]** Investments" and "— Capitalization of Our Company" above.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The chart below sets out the corporate structure of our Company and its subsidiaries immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised):



Note: See Note (1) to the chart in "— Corporate Structure Immediately Before the Completion of the **[REDACTED]**" above.

OUR VISION

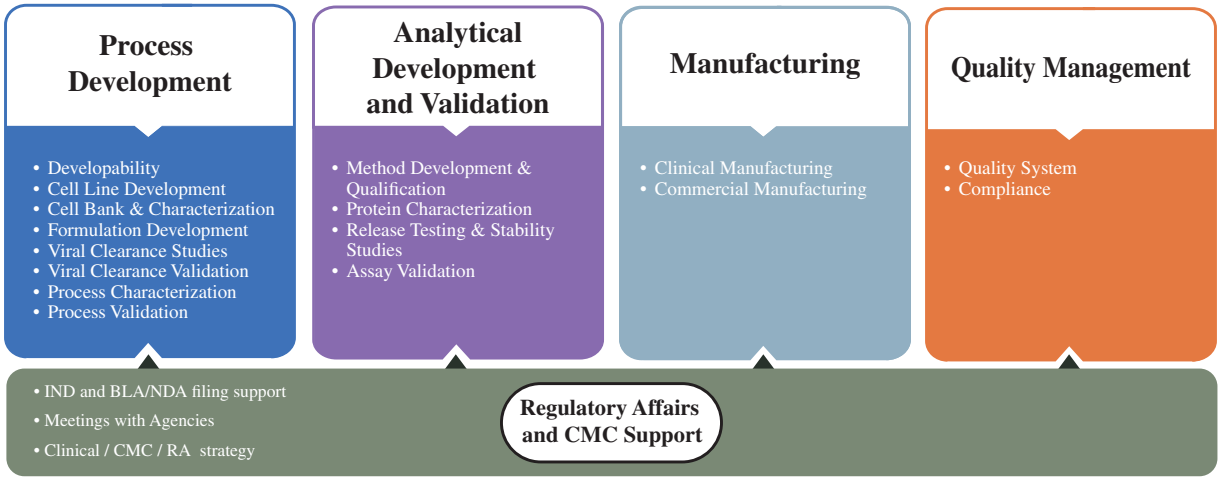
Our vision is to become the most trusted partner of global biopharmaceutical companies.

We pursue this vision by delivering manufacturing-driven, customer-focused and outcome-oriented contract development and manufacturing organization (CDMO) services that support biologics from pipeline to patient.

OVERVIEW

We are a leading manufacturing-driven full-lifecycle CDMO in China dedicated to biologics. We ranked second among biologics CDMO companies in China by the number of commercial products in 2025 and third among biologics CDMOs in the field of therapeutic antibody drugs in China by revenue in 2025, according to Frost & Sullivan. We mainly provide CDMO solutions for biologics development and manufacturing, namely (i) process development, (ii) analytical development and validation, (iii) good manufacturing practice (GMP) manufacturing, (iv) quality management, and (v) regulatory affairs and chemistry, manufacturing and controls (CMC) support.

"One Molecule, One Journey"

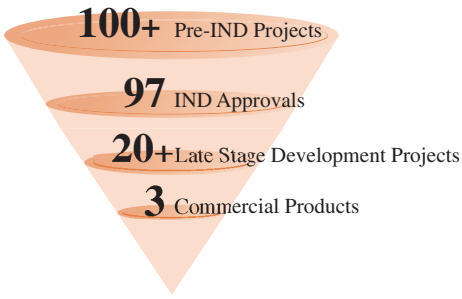


Under our "One Molecule, One Journey" business model, we engage with customers from early-stage development to commercial manufacturing, accompanying molecules from pipeline to patient. Continued involvement across successive development stages allows us to deepen customer relationships and build molecule-specific knowledge, GMP execution experience and quality understanding, which become increasingly embedded in the manufacturing setup supporting regulatory filing, approval and post-launch ramp-up. By converting early technical engagement into late-stage development and commercial manufacturing opportunities, this model strengthens our role in customers' projects and expands the scope of services we provide over the molecule lifecycle. During the Track Record Period, our top 30 customers recorded a 100% repeat order rate.

We believe we are among a distinct group of biologics CDMOs in China that incorporated customers' future commercial-scale production and post-launch ramp-up needs into our capacity planning, facility design and construction, supported by dedicated large-scale investments. Instead of adding capacity incrementally for individual projects, we centered our manufacturing

strategy on our Changshu site, where multiple identical 6,000 L stainless-steel bioreactor lines operate under a unified quality system to support commercial supply and subsequent capacity expansion that meets global requirements. According to Frost & Sullivan, this same-site, same-quality-system configuration provides a meaningful regulatory advantage for post-approval ramp-up, allowing approved products to scale more efficiently and predictably within the existing manufacturing and quality system.

During the Track Record Period, all of our clinical-stage customers that received marketing approval continued to engage us for commercial manufacturing, demonstrating strong customer retention and the conversion potential of our One Molecule, One Journey model. We have earned the trust of a broad and diversified customer base, from emerging biotechs to established industry leaders including Kexing Biopharm, Minghui and Innogen. As of the Latest Practicable Date, we maintained recurring collaborations with leading innovative biotech companies in China, covering 30 publicly listed companies. Our portfolio of projects increased steadily during the Track Record Period, with 122, 163 and 197 projects in 2023, 2024 and 2025, respectively.



Our project portfolio spans from early-stage development to commercialization, with more than 20 Phase III and biologics license application (BLA) projects as of the Latest Practicable Date, reflecting our strength in late-stage development and commercialization. By combining early technical involvement with a commercial manufacturing setup suitable for late-stage validation, regulatory review and subsequent capacity ramp-up, we support customers as their molecules move from development toward approval and commercial supply. As of the Latest Practicable Date, we had supported customers in obtaining three commercial approvals, each relating to a molecule for which we had been involved in its development stage, and the relevant customers had continued to engage us for commercial manufacturing of the approved drugs. In addition, we had supported the submission of three other BLA projects, and the relevant applications were under review by the NMPA as of the Latest Practicable Date. Revenue generated from our late-stage development and commercial projects increased during the Track Record Period and amounted to RMB113.2 million, RMB166.1 million and RMB251.8 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for 24.9%, 38.3% and 52.0% of our total revenue, respectively. During the Track Record Period, revenue contribution from late-stage and commercial projects increased alongside a project count CAGR exceeding 26.0%, providing evidence that our project funnel can progressively convert into higher-value late-stage and commercial opportunities.

We have built cross-regional project execution and regulatory support capabilities under international quality standards, supporting customers from early-stage development to late-stage development and commercialization. As of the Latest Practicable Date, we had supported 97 Investigational New Drug (IND) applications for our customers, including 27 U.S. Food and Drug Administration (FDA) IND applications, ranked fourth in China according to Frost &

Sullivan, and had passed 20 on-site inspections by Chinese regulatory authorities and six European Union Qualified Person (EU QP) audits. The projects we support cover commercially significant therapeutic areas, including neurology, metabolic disorders, oncology, hematology, musculoskeletal disorders and infectious diseases. Our technical expertise extends to complex biologics modalities, such as asymmetric bispecific antibodies, dual-payload antibody-drug conjugates and long-acting protein therapeutics. By combining broad early-stage development project access with quality systems tested through regulatory inspections and audits, we are positioned to carry complex biologics into late-stage development and commercial execution.

Our market position is supported by the following competitive strengths, which enable us to serve customers seeking a reliable, cost-effective and technically capable CDMO:

- ***Scalable Manufacturing Capacity.*** We operate 113,400 L of installed capacity in aggregate and, according to Frost & Sullivan, had the largest single-facility biologics CDMO manufacturing capacity in China, with 85,300 L installed at our Changshu site. For biologics CDMOs, capacity creates value not merely through aggregate bioreactor volume, but through the ability to convert capacity into executable GMP batches with consistent quality, predictable scheduling and cost-efficient operations. Our concentrated single-facility footprint, standardized facility layout and cadence-based manufacturing arrangement support reliable commercial supply while improving execution consistency and cost efficiency.

- ***Disciplined Long-Term Infrastructure Investment.*** We believe we are among the few biologics CDMOs in China that incorporated customers' future commercial-scale production and post-launch ramp-up needs into our capacity planning, facility design and construction, supported by dedicated large-scale investments. Instead of adding capacity only after project-specific demand materializes, we chose a more demanding but more scalable path of standardization, quality-system integration and goal-driven capacity planning. While this strategy required significant upfront investment and operational patience during the ramp-up period, it enabled us to build a scalable and repeatable manufacturing system designed for late-stage and commercial biologics, strengthening customer retention, recurring commercial batch opportunities and post-launch expansion capability.

- ***Resilient Supply Chain.*** Since 2019, we have built a localized supply chain to reduce external supply risks and support stable biologics manufacturing. In biologics CDMO projects, changes in critical manufacturing inputs can affect product quality, trigger additional regulatory work and disrupt development or commercial timelines. Through localized sourcing, qualified supplier coverage and in-house development of key materials such as media and resins, we reduce reliance on third-party vendors and retain greater control over related know-how and intellectual property, supporting more stable and cost-visible execution for IND, late-stage and commercial projects.

- ***Proprietary Technology Platform.*** Our in-house developed technology platform connects biologics development, process scale-up and commercial manufacturing, enabling us to build molecule-specific knowledge before approval. By accumulating know-how from early-stage development, we help convert customer projects into late-stage and commercialization projects. We believe manufacturing capacity is the

commercial expression of our platform, while development capability is the core engine that supports customer retention, commercialization readiness and long-term competitiveness.

- ***AI-Driven Project Execution and Operations System.*** We have locally deployed large language models and developed proprietary AI agents customized with our accumulated project experience, experimental data and media development data. Embedded with our process know-how, our agents support both project execution and operational workflows, bringing greater consistency to technical decision-making.

The global biologics CDMO market is poised for continued expansion, estimated to reach US$105.8 billion by 2035 from US$31.8 billion in 2025, driven by the growing pipeline of biologics and increasing outsourcing within biotechnology and pharmaceutical companies, according to Frost & Sullivan. Within this market, the late-stage clinical and commercial manufacturing segment — where we hold a leading position in China — requires integrated process development, quality systems, regulatory readiness and GMP manufacturing. Extending beyond available manufacturing capacity, our value proposition is anchored in development capabilities and technological expertise that support the transition of drug candidates from pipeline to patient.

OUR STRENGTHS

One Molecule, One Journey: Manufacturing-Driven Lifecycle Engagement and Disciplined Long-Term Infrastructure Investment

We are one of the few independent CDMO platforms in China capable of supporting a biologic from cell line construction to commercial fill-finish under a unified quality system, according to Frost & Sullivan. We believe we are among a distinct group of biologics CDMOs in China that truly understand the biologics industry, with the ability to anticipate and cater to development-stage biotech customers' future needs for substantially ramped-up commercial-scale production of approved biologic products. We integrate our understanding and such anticipated needs into our capacity planning, facility design, site construction, quality management, and regulatory compliance. To build optimal infrastructure and achieve economies of scale, we make dedicated large-scale investments with a long-term outlook for our growth that synchronizes with our customers' biologics development and commercialization activities. Built around our "One Molecule, One Journey" engagement model, we seek to be continuously retained for the same molecule from early development through clinical manufacturing, regulatory filing, commercial launch and post-approval supply, with commercial manufacturing as the strategic endpoint of each lifecycle engagement. Our project funnel had grown from 122 projects in 2023 to 197 projects in 2025, of which more than 20 were late-stage development or commercialization projects.

Rather than pursuing the more flexible near-term model of disconnected project execution or incremental capacity additions after demand materializes, we have chosen a more capital-intensive and operationally resource-intensive path, by building our model around early molecule-specific knowledge accumulation, standardized manufacturing execution and disciplined long-term infrastructure investment. Although this path requires greater upfront investment and longer execution cycles, we believe it creates a more defensible platform for capturing recurring commercial manufacturing mandates as biologics progress from clinical development to launch and post-approval supply.

Manufacturing-Driven Lifecycle Engagement that Converts Early Involvement into Commercial Manufacturing Mandates

Our manufacturing-driven model is designed to secure commercial manufacturing mandates before a molecule reaches approval.

- **Early entry into molecule lifecycle.** Supporting customers from early development through IND, BLA/new drug application (NDA) and commercialization enables us to accumulate molecule-specific knowledge. Retaining development history, process decisions and quality records within one integrated CDMO system creates a practical foundation for pipeline-to-patient transition, particularly when commercialization timelines are compressed and process changes may require additional comparability work.

- **Commercial conversion through continuous engagement.** As of the Latest Practicable Date, we had supported customers in obtaining three commercial approvals, all relating to molecules that we had supported since the development stage. During the Track Record Period, all clinical-stage projects receiving marketing approval continued to engage us for commercial manufacturing, demonstrating our ability to convert early involvement into commercial manufacturing mandates. Revenue generated from late-stage development and commercial projects increased from RMB113.2 million in 2023 to RMB251.8 million in 2025, and its contribution to our total revenue increased from 24.9% to 52.0% over the same period, reflecting the commercial progression of our manufacturing-driven model.

- **Compounding experience barrier.** Recent regulatory requirements on entrusted drug manufacturing in China have further increased the importance of commercial manufacturing experience. Under the NMPA's announcement on strengthening supervision over entrusted drug manufacturing, an entrusted manufacturer for sterile biologics is generally expected to have relevant production experience, including three years of commercial manufacturing experience for the entrusted product type. As a result, newly established CDMOs without such experience may face higher practical barriers, creating a compounding advantage over new entrants.

Disciplined Long-Term Infrastructure Investment that Converts Molecule-Specific Know-How into Reliable Commercial Supply

Commercial manufacturing capacity is not defined only by nominal bioreactor volume. Winning commercial projects requires a manufacturing system that can support post-launch ramp-up, preserve product economics under pricing pressure and reduce the regulatory burden of post-approval changes. Our infrastructure was therefore planned as a single-facility, standardized and cycle-matched commercial manufacturing system.

- **Single-facility, standardized and cycle-matched capacity design.** Building on our manufacturing-driven lifecycle model, we planned our commercial manufacturing infrastructure to support the same molecule from clinical manufacturing through commercial launch and post-approval ramp-up. Our single-facility commercial manufacturing infrastructure serves as the physical foundation of our One Molecule, One Journey model, allowing molecule-specific knowledge accumulated during development stage to be carried forward into commercialization of a drug candidate within the same manufacturing system. Rather than representing a simple addition of

bioreactor volume, it was purpose-built as an integrated, cycle-matched system designed to align upstream production output with downstream purification throughput. For details of our systematic design and planning of commercial manufacturing lines, please refer to "Facilities — Our Cycle-Matched Approach to Commercial Manufacturing Line Design" in this section.

- **Post-approval change efficiency.** For approved biologics, adding a new usable manufacturing line after approval may require a major regulatory change process that can take approximately two to three years, while a non-major change may require approximately six to eight months based on our industry experience. A single-facility configuration with standardized and identical manufacturing line design may allow post-approval expansion to be implemented through a less burdensome regulatory pathway than new-site transfers or lines with materially different designs, where supported by comparability data and regulatory assessment.

Advanced Technology Platforms and Deep R&D Expertise Creating Development-to-Manufacturing Advantage

We have built our technology leadership through years of focused investment in people, platforms and processes. Our R&D capabilities rest on four mutually reinforcing elements: a seasoned and stable scientific team, proprietary technology platforms, consistent R&D investment and repeated application of our platforms across a diverse project portfolio. Together, these elements allow us to solve development challenges while preserving manufacturability, which is critical for biologics projects moving toward late-stage development and commercialization. This development-to-manufacturing linkage is a key barrier to entry: while physical capacity can be added over time, molecule-specific process knowledge, proven scale-up pathways, regulatory documentation discipline, and quality-system execution are accumulated through repeated project delivery.

As of December 31, 2025, our R&D and technical team comprised over 260 professionals with expertise across pharmaceutics, analytical chemistry, chemical engineering, and biotechnology, supporting projects from preclinical research through commercial manufacturing. As of the Latest Practicable Date, this team had supported projects across antibodies, bioconjugates, recombinant proteins and other complex biologics modalities. By integrating R&D work with GMP manufacturing, quality and regulatory execution throughout the molecule lifecycle, the team designs and refines processes with manufacturability, scale-up, control strategy and commercial supply readiness as core considerations.

This human capital is leveraged through a suite of proprietary technology platforms that we have developed and continue to enhance. Spanning cell line development, culture media formulation, process scale-up, bioconjugation, complex-antibody purification and high-concentration formulation, these platforms form an integrated technical ecosystem from molecular design through commercial manufacturing. The platforms are applied repeatedly across projects, allowing us to accumulate data, refine process parameters and shorten learning curves for later projects.

- Our proprietary cell line development platform is built on a host cell system to achieve high titers. The platform delivers gene-to-primary cell bank (PCB) timelines as short as three months, with titers exceeding 10 g/L before optimization. It has supported over 300 molecules in cell line development, contributed to more than 50 clinical approvals, and advanced more than 30 projects into clinical stages.

- Our proprietary culture media platform gives us technological advantages over base media, feed media and additive series. Our in-house media have increased protein expression levels by 40% while significantly reducing per-batch media costs. We have successfully validated these formulations through multiple process validation campaigns and implemented them across more than 20 clinical projects, demonstrating strong performance and regulatory acceptance.

- Our proprietary complex-antibody purification platform is purpose-built for bispecifics, fusion proteins and other aggregation-prone modalities. Beyond standard Protein A capture, we deploy a comprehensive toolbox of multimodal, hydrophobic interaction and mixed-mode chromatography to remove hard-to-separate product-related impurities. Anchored by experience from more than 150 projects, the platform operates multiple specialized purification tracks covering a diverse modality spectrum.

- Our internally developed scale-up platform integrates customized bioreactor design, automated parameter testing and model-driven scale-up across reactor types up to 6,000 L. Supported by over 150 projects and 500 scale-up batches, our standardized approach enables us to achieve a technical success rate exceeding 98% across single-use and stainless-steel systems.

- Our integrated bioconjugation platform positions us to capture opportunities in the high-value antibody-drug conjugate (ADC) CDMO market. We have established a GMP-compliant bioconjugation platform covering early-stage R&D to commercialization. The platform supports both random and site-specific conjugation and addresses key ADC challenges. As of December 31, 2025, it covered ten distinct conjugation routes, had been applied in over 30 clinical projects, and our most advanced project had progressed to Phase III.

- Our high-concentration formulation development platform is capable of delivering formulations over 100 mg/mL with acceptable viscosity and stability for subcutaneous delivery. Supporting monoclonal antibodies, bispecifics and fusion proteins, the platform has delivered more than ten high-concentration formulations for clinical and commercial use, enabling faster path-to-clinic by reducing reformulation cycles.

Sustaining technology leadership requires continuous investment, and we remain committed to maintaining R&D intensity that supports process performance, manufacturability and commercial readiness. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses totaled RMB57.9 million, RMB37.1 million and RMB45.9 million, respectively, representing 12.7%, 8.6% and 9.5% of our revenue for the respective years. We believe such investment supports the accumulation of reusable process knowledge across our project portfolio and reinforces the link between development work and manufacturing execution.

Development-to-Commercial Execution with Global Regulatory and Supply Chain Support

For late-stage development and commercialization projects, execution risk often arises when development outcomes cannot be carried forward into GMP manufacturing, regulatory submissions and post-approval supply. We seek to reduce this risk by treating development as the beginning of manufacturing and regulatory execution, rather than a separate technical exercise. Work performed before approval is organized to support GMP production, regulatory review and consistent commercial supply after approval.

- **Development execution supported by global regulatory capabilities.** As of December 31, 2025, our R&D and technical team comprised over 260 professionals with expertise across pharmaceutics, analytical chemistry, chemical engineering and biotechnology, supporting projects from preclinical research through commercial manufacturing. Supported by a quality organization of more than 220 professionals, we maintain quality systems built on GMP, PIC/S and ICH principles and designed to meet global regulatory requirements. As of the Latest Practicable Date, we had completed multiple GMP inspections with a 100% pass rate, supported customer filings across China, the U.S. and other major jurisdictions, helped bring three innovative biologics to commercial approval, supported 97 IND approvals globally, completed nine process validations and had more than 20 late-stage development projects ongoing.

- **Supply chain resilience supporting continuity and cost control.** Since 2019, we have systematically developed a localized supply chain for critical inputs such as culture media, consumables and resins. Where applicable, we retain full ownership of proprietary formulations while partnering with multiple qualified contract manufacturers. This model supports supply stability, cost visibility and continuity of critical-path materials by giving us greater control over key input specifications, supplier qualification and sourcing arrangements. It also helps reduce exposure to single-source dependency, improve cost predictability and support more disciplined cost management as projects move from clinical supply to commercial manufacturing.

Proven Track Record with Sustainable Growth Driven by Commercialization Conversion, Diverse Client Base and Deep Project Portfolio

Our proven late-stage and commercial manufacturing capabilities provide customers with practical execution support. By engaging with customers before approval and continuing to support process validation, GMP manufacturing, quality release, supply planning and regulatory change control after approval, we are able to accumulate product-specific process knowledge and help customers transition from approval to commercial supply more efficiently. This strengthens our value proposition to customers with late-stage development or commercialization biologics projects and reinforces the stickiness of our deep project portfolio.

Selected flagship commercialization-stage projects that exemplify our capabilities include:

- ***Zimberelimab Injection developed by Guangzhou Auspex Bioscience.*** As the approved manufacturing site, we completed full-process technology transfer and comprehensive quality comparability studies, ensuring consistent product quality after the change. The project successfully passed the registration site inspection and GMP compliance inspection, and was approved in May 2024. This project demonstrated our CDMO capabilities in biologics commercialization, regulatory-compliant quality control, cost control, and end-to-end project management.

- ***GLP-1 Fc fusion protein developed by Innogen.*** We provided end-to-end CDMO support spanning clinical development through commercial supply. Following regulatory approval, we carried out process scale-up and localized key materials, leading to a significant reduction in unit manufacturing costs. Dedicated aseptic fill-finish and assembly lines ensured stable manufacturing capacity and reliable

supply. The program integrated CMC planning, technology transfer, process performance qualification (PPQ), and lifecycle management within a single, unified operational framework. This product was approved in January 2025.

- ***Libevitug Injection by Huahui Health.*** We delivered end-to-end CDMO support from technology transfer to commercial readiness, scaling from 3 L to 2,000 L with consistent titer, purity, and critical quality attributes. Cell viability remained high, alongside improved product yield and cost-effectiveness. We established a dual quality management system compliant with NMPA and FDA regulations. Multiple production runs successfully validated process stability. Following the product's conditional approval in January 2026, we have been providing commercial manufacturing services for the client.

Supporting multiple commercialized biologics products has enabled us to convert project-level execution experience into a repeatable CDMO commercialization delivery system that improves commercialization predictability. Continued batch delivery, regulatory interactions and post-approval commercial manufacturing further enrich our data foundation, documentation discipline and lifecycle management capabilities. Beyond commercial-scale manufacturing, our value proposition lies in applying process know-how and manufacturing data to support predictable quality release, process validation and supply continuity throughout the product lifecycle.

Experienced, Globally Oriented and Stable Management Team, Supported by Dedicated Employees

Our founder and Chairman, Mr. Li Zhi, brings over 20 years of biopharmaceutical R&D and management experience, with prior leadership roles in R&D and GMP platform development at Innovent Biologics, Kanghong Pharmaceutical and Recomgen Pharmaceutical. Under his leadership, we have developed into one of China's leading biologics CDMO platforms in under a decade.

With extensive industry experience across the biologics value chain, our senior management team brings backgrounds spanning leading academic institutions and global industry leaders, including Stanford University, West Virginia University, Samsung Biologics, Merck, WuXi Biologics, and Genzyme. The team combines experience in R&D, CMC, quality management, regulatory affairs, business development, and capital markets execution. Together with our talented and dedicated employees, our management team provides the scientific depth, global perspective and disciplined execution required to support our continued growth.

OUR STRATEGIES

Enhance One Molecule, One Journey Capabilities and Expand Capacity in Line with Project Progression

Our proprietary technology platforms, process know-how, scalable manufacturing capacity, flexible facility configuration and intelligent operations systems are critical to our ability to provide efficient, high-performance and cost-effective services to our customers. In light of the continued growth of biologics pipelines and the increasing importance of late-stage and commercial manufacturing, we intend to further strengthen our One Molecule, One Journey model and expand capacity in a disciplined manner. Our strategy is to let development capability pull through manufacturing demand, rather than relying on capacity expansion alone.

Accordingly, we intend to align technology upgrades, capacity planning, quality-system enhancement and customer relationship management with the progression of customer molecules from early development to commercial supply.

Enhancing development and performance excellence. We plan to continue iterating our core technology capabilities based on our six major technology platforms and further strengthen our differentiated strengths across the biologics value chain. We intend to continue upgrading our formulation capabilities, with a focus on high-concentration formulations, complex modalities and manufacturability at commercial scale. We will also continue to enhance cell line development, culture media, purification, bioconjugation and scale-up capabilities so that process design, cost profile, quality attributes and commercial readiness are considered earlier in the development cycle. These initiatives are intended to improve project delivery, strengthen customer retention and support the conversion of projects into late-stage development and commercial opportunities.

Enhancing delivery and operational efficiency. We believe that stronger technical performance, when combined with scalable manufacturing capacity, can drive higher output and better overall operational performance. As we continue to optimize our upstream processes, downstream purification, formulation development and digital project management systems, we expect to improve batch success rates, shorten project cycle times and enhance delivery certainty for customers. We also intend to use accumulated project data to identify recurring process risks earlier and apply standardized solutions across similar molecules or modalities.

We plan to continue upgrading our intelligent operations systems by deploying larger-scale locally hosted large language models (LLM) to enhance complex information processing and technical decision support. In parallel, we intend to expand the application of our customized AI agents, which are trained with our project experience, experimental data and media development data, to a broader range of project execution and operational workflows. By applying our process know-how across more use cases, these agents are expected to make project execution and GMP operations more consistent and reliable, particularly for late-stage and commercial projects.

Strengthening cost control advantages. Scalable capacity and disciplined operational management are fundamental to cost efficiency. As of the Latest Practicable Date, our total installed capacity reached 113,400 L and our total designed capacity was 228,400 L across our three production bases in Suzhou. We intend to improve deployment of installed capacity and prepare additional capacity for future demand in line with customer project progression, particularly as more projects move into late-stage development and commercial manufacturing. We will prioritize capacity deployment for projects where our development work, regulatory preparation and quality-system continuity can support efficient commercial conversion.

At the same time, we plan to continue strengthening our cost control capabilities through deeper supply chain development. We currently focus on approximately 100 core manufacturing materials, and we intend to further diversify our supplier base, strengthen collaboration with supply chain partners and improve supply quality and reliability. We also plan to continue increasing the proportion of critical materials that are internally developed or locally sourced. Going forward, we intend to further expand such proportion while also improving material performance and supply stability. We believe these efforts, together with higher capacity utilization, automation and continued process improvement, will help us reduce supply uncertainty, mitigate external risks and further strengthen our cost competitiveness.

Strengthen Domestic Market Presence by Capturing Molecule Progression in China's Biologics CDMO Industry

China has one of the largest patient populations globally and continues to have significant unmet clinical needs across oncology, autoimmune diseases, rare diseases and other therapeutic areas. Driven by emerging technologies, intensified competition prompting pharmaceutical companies to reduce costs and improve efficiency, and increasing demand for commercial manufacturing readiness, China's biologics industry continues to create opportunities for CDMOs with integrated development and manufacturing capabilities. In this environment, customers increasingly value partners that can help develop manufacturable processes early, preserve quality continuity through clinical development and support rapid transition to commercial supply after approval.

Leveraging our established customer base and proven track record in China, we plan to further strengthen our domestic market presence by advancing our service capabilities in key and fast-growing biologic modalities, particularly ADCs and bispecific antibodies. We intend to continue enhancing our integrated development-to-commercial service offering, expand collaboration with existing customers and capture new projects from emerging biotech and pharmaceutical companies seeking reliable late-stage development and commercial manufacturing partners. For existing customers, we will focus on expanding our market share as their molecules move from early CMC work to clinical supply, process validation and commercial manufacturing. For new customers, we will emphasize our ability to solve development challenges early and provide a credible path to commercial supply.

We also plan to continue acquiring new customers and projects by offering comprehensive and cost-effective CDMO solutions, supported by our performance excellence, scalable capacity and cost control capabilities. In parallel, we intend to improve project management and execution discipline to provide a more consistent customer experience as molecules advance toward later-stage development and commercialization, reinforcing molecule progression as a long-term growth driver. We will also seek to convert successful early-stage engagements into broader, multi-stage collaborations by building customer confidence through reliable execution over time.

Penetrate International Markets by Leveraging Regulatory-Ready Development and Manufacturing Capabilities

To further capture growth opportunities outside China, we plan to continue advancing our international regulatory and compliance capabilities, with a particular focus on the European Medicines Agency (EMA) framework. Based on our current project portfolio, we expect certain projects to be submitted under the EMA framework in 2027 and to enter the EMA review process in early 2028, which will enhance our international regulatory track record and support our efforts to obtain EMA GMP certification. We will also continue to improve our quality management systems, documentation practices and compliance readiness to meet international standards and regulatory expectations, while leveraging the experience of our senior management team in international regulatory compliance, quality systems and global operations.

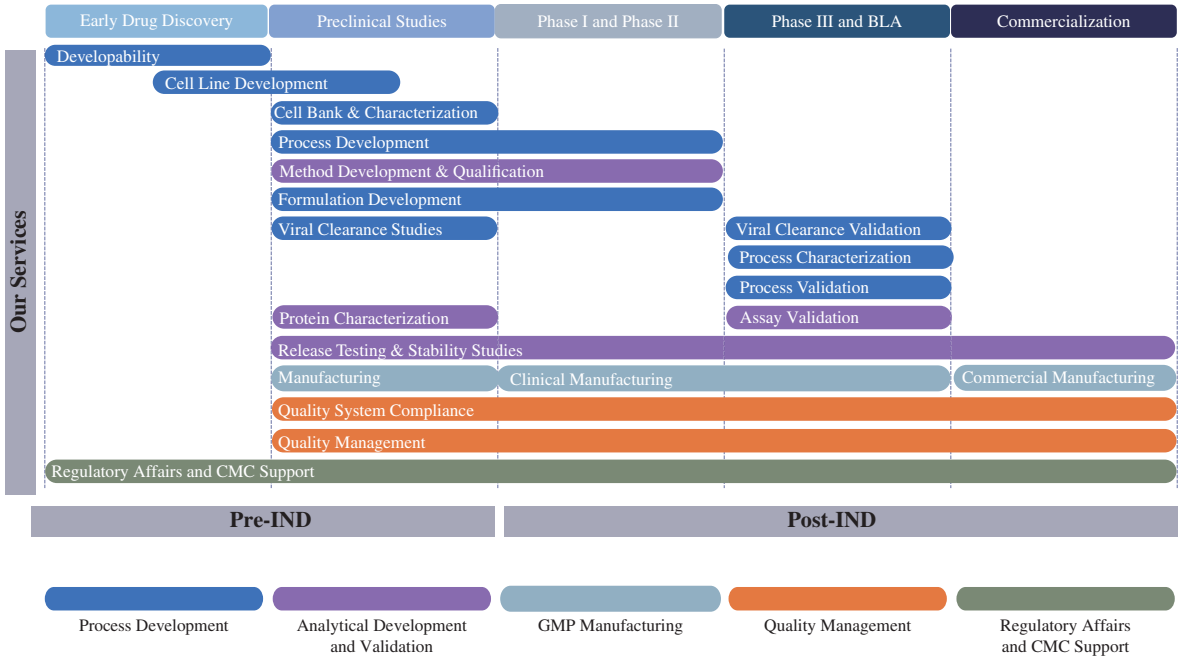
Our expansion plan will initially focus on the EU and other emerging markets, where we see strong demand for quality and cost-effective biologics CDMO services. We intend to expand our international business development and customer relationship management capabilities, improve our ability to support global customers across various development stages, and align capacity planning, quality readiness and service delivery resources with the pace of international customer acquisition and project conversion. Progress under the EMA regulatory framework and potential EMA GMP certification will enhance our credibility with overseas customers and help international business become a meaningful growth driver for our long-term development. We will position ourselves as a China-based CDMO partner that can help customers combine development problem-solving, commercial-scale manufacturing and regulatory-ready execution.

Continue to Attract, Retain and Incentivize Talent to Support Our Fast and Sustained Development

Our dedicated talent base is crucial to our ability to provide consistent high-quality services to customers and to maintain strong execution capabilities across development, manufacturing, quality control and project management. We strive to build a professional, collaborative, stable and high-quality workforce. We intend to continue to attract, retain and incentivize employees to carry out our development strategies and capture the growth opportunities in the global biologics CDMO industry. We plan to continue recruiting experienced professionals across key functions, including technology and process development, quality management, manufacturing operations, regulatory affairs and project management, to support capability upgrades and business expansion. We will also continue to retain talent through teamwork and cross-functional collaboration, hands-on training through diversified project exposure, and a structured growth and talent development system, together with a sound performance incentive and promotion mechanism. By strengthening cross-functional teams that connect development, manufacturing, quality and regulatory work, we aim to preserve the know-how that underpins our One Molecule, One Journey model.

BUSINESS MODEL

We ranked second among biologics CDMO companies in China by the number of commercial products in 2025 and third among biologics CDMOs in the field of therapeutic antibody drugs in China by revenue in 2025, according to Frost & Sullivan. As of the Latest Practicable Date, we had provided CDMO services for over 400 projects, covering over 200 drugs and drug candidates, for over 200 customers, including three approved drugs and more than 20 late-stage development projects. The following diagram depicts our CDMO service offerings. See "Business — Biologics CDMO Services" for further details.



We have built an extensive project portfolio and stable customer relationships with customers from major markets such as China, the United States and Europe. Major projects refer to projects with a contract value of not less than RMB8.0 million. We had 18, 16 and 14 major projects in 2023, 2024 and 2025, respectively. The total revenue contribution of the major projects was RMB354.5 million, RMB335.2 million and RMB352.8 million in 2023, 2024 and 2025, respectively, representing 77.9%, 77.4% and 72.9% of our total revenue for the respective years.

In 2023, 2024 and 2025, we had a total of 122, 163 and 197 projects, respectively. The following table sets forth the number of projects for the years indicated, categorized by stage as pre-Investigational New Drug (Pre-IND) and post-Investigational New Drug (Post-IND).

	Year Ended December 31,		
Stage	**2023**	**2024**	**2025**
Pre-IND	53	74	87
Post-IND			
Early-stage development (Phase I & II)	58	72	84
Late-stage development (Phase III & BLA)	10	16	24
Commercialization	1	1	2
Total	**122**	**163**	**197**

Fee Model

Our service fee arrangement is primarily based on a fee-for-service (FFS) model.

FFS Model

During the Track Record Period, our revenue was generated predominantly under a fee-for-service model. We typically collect payments pursuant to a pre-agreed schedule set out in the relevant contract or work order, which allocates fees to specific discovery, development, or

manufacturing activities within the agreed scope. Pricing is determined with reference to the scope of services, anticipated costs and expenses, and the estimated time required to deliver the work, among other considerations. Our fee-for-service contracts and work orders generally include a detailed timetable that outlines task specifics, expected completion time for each step, and the corresponding payment terms. Revenue is recognized at a point in time when control of the distinct services or products transfers to the customer, namely upon acceptance of the deliverable units by the customers.

During the Track Record Period, under our fee-for-service model, we applied a two-step quotation process. First, we determine the project cost, which primarily comprises three components: service fees reflecting labor hours required for the project, material costs covering both R&D and manufacturing materials, and outsourcing fees for third-party services. Second, we set the quoted price with reference to market dynamics, including competitors' pricing, customer type, project-specific considerations, and our market positioning, while ensuring the price is not below our internal cost. By doing so, we benchmark against our peers and take into account the characteristics of the engagement and our positioning in the market.

During the Track Record Period, the typical duration of our CDMO projects generally varied by project stage and service scope rather than by molecule type. IND-stage projects and orders generally lasted approximately 12 to 18 months, while clinical sample manufacturing projects generally lasted approximately six to 12 months. BLA-stage projects, which primarily involved process development and optimization, process validation, process characterization and regulatory inspection support, generally lasted approximately two to three years. Depending on the nature and specific requirements of a project, the total service fees varied significantly during the Track Record Period.

Payment Term

Under the FFS model, a contract or work order typically comprises a number of tasks, each including several discovery, development and/or manufacturing steps. We bill our customers by task and typically give our customers a credit term of 30 to 90 days. We typically require our customers to make prepayments for the initiation of a task, a portion of the corresponding payment upon the commencement of each task and the remaining payment after we complete such task and meet the requirements of our customers. Each FFS contract or work order generally specifies the scope of services and the related deliverables, which may include a certificate of analysis, technical reports and products. Upon completion of the contracted services, our project manager sends the completed service results and the corresponding deliverables to the customer, typically by email, or requests the customer's acceptance confirmation. The relevant discovery, development or manufacturing step is deemed to be completed upon the customer's acceptance of such services and deliverables, as evidenced by a reply email or other written confirmation, and revenue is recognized at that time.

BIOLOGICS CDMO SERVICES

We provide one-stop CDMO solutions for biologics development and manufacturing, comprising (i) process development, (ii) analytical development and validation, (iii) GMP manufacturing, (iv) quality management and (v) regulatory affairs and CMC support. Leveraging advanced platform technologies, robust CMC capabilities and integrated quality systems, we are able to undertake biologics projects at varying technical and manufacturing stages. Through our coordinated service model, we support the progression of biologics projects from pipeline to patient by enabling controlled, compliant and reliable supply.

Process Development

Process development is a critical step in translating a drug candidate into a commercial product. A robust process supports the manufacturing of high-quality products and the satisfaction of regulatory requirements. We provide integrated process development services covering early developability assessment, cell line development, cell banking, upstream and downstream process development, formulation development, viral clearance studies, process characterization and process validation.

Developability; Cell Line Development; Cell Bank & Characterization

At the early-stage of a biologics project, our developability assessment supports the selection of molecules and process strategies with suitable manufacturability, stability, analytical feasibility and scalability. Once a biologic drug candidate is identified, we conduct cell line development to generate production cell lines with appropriate productivity, product quality attributes and process fit. We also provide GMP cell banking and cell line characterization services, including master cell bank and working cell bank preparation, identity and purity testing, microbial and mycoplasma testing, viral safety assessment and related characterization studies. By integrating developability assessment, cell line development and cell banking activities, we establish a reliable technical foundation for subsequent process development, manufacturing and regulatory filings.

Process Development and Formulation Development

Our process development activities cover upstream cell culture process development and downstream purification process development for biologics drug substance. For upstream processes, we focus on cell culture conditions, media and feed strategies, process optimization, scale-up parameters and process robustness. For downstream processes, we design and optimize purification trains to support product recovery, impurity clearance, viral safety and consistent product quality. Formulation development is conducted in parallel or at the appropriate development stage to identify buffer systems, excipients and dosage conditions that support product stability, manufacturability and intended clinical or commercial use. Our scientists and engineers work closely with customers to design phase-appropriate processes, receive and execute customer technical packages, perform technology transfer, and establish scalable manufacturing processes that can be handed over to GMP manufacturing without disruption.

Viral Clearance Studies and Viral Clearance Validation

Viral safety is an important component of biologics process development and regulatory readiness. We conduct viral clearance studies to evaluate the capability of the manufacturing process to remove or inactivate potential adventitious or endogenous viruses. Our work covers study design, scale-down model establishment, execution of clearance studies, data interpretation and preparation of reports to support regulatory submissions. For late-stage and commercial projects, we also support viral clearance validation activities based on the representative commercial process. By conducting these studies within the broader process development and validation framework, we generate data to support the demonstration that the developed process meets applicable regulatory expectations for viral safety.

Process Characterization and Process Validation

For late-stage projects, we perform process characterization to understand the relationship between process parameters, material attributes and product quality. Our teams apply risk

assessment and quality by design principles to identify critical process parameters, define proven acceptable ranges and establish appropriate control strategies. Process validation confirms that the established process can consistently deliver products meeting predefined quality standards. During validation, we execute the defined process using qualified materials and appropriate equipment, and manufacture consecutive validation batches to support regulatory submissions. We measure and verify key process parameters and monitor critical quality attributes, enabling a lifecycle approach that connects process development, conformance assessment and CPV.

Analytical Development and Validation

Analytical development and validation provide the testing foundation for biologics development and manufacturing. Reliable analytical methods are necessary to measure product quality, monitor process performance, support batch release and generate regulatory data. We provide integrated analytical services covering method development and qualification, protein characterization, assay validation, release testing and stability studies.

Method Development & Qualification

Analytical methods underpin our process development, manufacturing and quality control activities. We provide phase-appropriate analytical development and qualification services to support in-process control, product characterization, release testing and stability studies for biologics drug substance and drug product. Our analytical teams develop and qualify methods for identity, purity, impurity profile, potency, content, safety-related attributes and other product-specific quality attributes.

Protein Characterization

Protein characterization services further support the understanding of molecular structure, physicochemical properties, biological activity and comparability during development, technology transfer and process changes. Close integration between our analytical, process and manufacturing teams allows analytical findings to be incorporated into process optimization and control strategy development in a timely manner.

Assay Validation; Release Testing and Stability Studies

As projects advance toward late-stage development and commercialization, we conduct analytical method validation in accordance with applicable regulatory requirements. Validated or otherwise qualified methods are used to support batch release testing, stability studies and regulatory filings. Our release testing services confirm that drug substance and drug product batches meet approved specifications before use or delivery, while stability studies generate data on product quality over time under appropriate storage and stress conditions. We prepare stability protocols, manage testing at defined time points and summarize results in stability reports to support IND, BLA/NDA or other regulatory submissions, as applicable. Analytical development, assay validation, release testing and stability studies together provide the data package necessary to demonstrate product quality, consistency and lifecycle control.

GMP Manufacturing

Manufacturing is the stage where the developed process is executed under GMP conditions to produce biologics drug substance or drug product for clinical studies and commercial supply. Reliable manufacturing capabilities are essential to ensure batch consistency, supply continuity,

regulatory compliance and timely project delivery. We provide clinical and commercial manufacturing services supported by integrated process, analytical, quality and technical teams.

Clinical Manufacturing

We provide GMP clinical manufacturing services for biologics drug substance and, where applicable, drug product, supporting projects from early clinical development through late-stage clinical supply. Our manufacturing team configures the required upstream and downstream equipment train based on the developed process and executes production under GMP conditions. The integrated handover from process development to manufacturing helps reduce disruption during scale-up and technology transfer. We manufacture clinical batches using phase-appropriate control strategies, qualified raw materials, approved batch records and established analytical methods, supporting customers' clinical studies and regulatory submissions in major jurisdictions.

Commercial Manufacturing

We also provide commercial manufacturing services under GMP conditions for biologics projects that have entered or are preparing for commercial supply. Our commercial manufacturing model emphasizes process consistency, quality control, supply reliability and lifecycle management. Supported by substantial manufacturing capacity, experienced technical teams and established quality systems, we can undertake technology transfer from development or external sites, execute process scale-up and process validation, and support routine commercial production. We prioritize stable raw material supply and maintain risk-mitigation measures for EHS, regulatory compliance and sustainability considerations, enabling reliable delivery of high-quality products. For commercial projects, we also support CPV, ongoing process monitoring, deviation and change control, and other activities required to maintain validated process performance throughout the product lifecycle.

Quality Management

Quality management provides the systematic foundation for GMP-compliant biologics development and manufacturing. A robust quality system ensures that facilities, materials, utilities, processes, testing, documentation and personnel operate under controlled and traceable conditions. We maintain an integrated quality management system to support clinical supply, commercial manufacturing and regulatory inspections.

Quality System Compliance

We operate advanced manufacturing sites under a unified quality management system designed to support GMP-compliant biologics development and manufacturing. Our quality system covers document control, training, supplier qualification, material management, equipment, utility and facility qualification, production oversight, laboratory control, deviation management, CAPA, change control, internal audit, product quality review and inspection readiness. We have implemented quality policies and management procedures aligned with applicable GMP requirements and relevant ICH guidelines, including quality risk management and pharmaceutical quality system principles. A single quality framework across our network allows quality standards, operational improvements and inspection readiness to be shared and implemented consistently. Our quality management and manufacturing systems support clinical supply, commercial manufacturing and regulatory inspections in China, the United States and Europe, and other jurisdictions.

Regulatory Affairs and CMC Support

Regulatory affairs and CMC support connect technical development, manufacturing execution and regulatory submissions. For biologics projects, a coherent CMC package is essential to demonstrate process understanding and control, product quality, manufacturing consistency and facility readiness. We provide regulatory and CMC support throughout the development and registration stages.

Our regulatory and technical teams work with customers to prepare CMC data packages for IND, BLA/NDA and other regulatory submissions, including information relating to cell line development, cell banking, process development, analytical methods, manufacturing, validation, stability and control strategy. We also support regulatory strategy alignment, technical document preparation, responses to regulatory questions and inspection readiness activities. During late-stage and commercialization-related projects, our teams assist customers in preparing for pre-approval inspections and other regulatory interactions by ensuring that filed information is consistent with facility setup, manufacturing practice, analytical methods and quality systems. Strong cross-functional coordination among process, analytical, manufacturing, quality and regulatory teams enables us to support global regulatory filings and product approval processes with a coherent and traceable CMC package.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We were loss-making during the Track Record Period. The following table sets forth certain financial data during the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
	(in RMB'000, except for percentages)		
Revenue	454,983	433,304	484,170
Gross loss	(33,828)	(65,270)	(18,682)
Gross loss margin	(7.4)%	(15.1)%	(3.9)%
Loss and total comprehensive expense for the year	(167,812)	(290,879)	(215,458)
Net cash from (used in) operating activities	11,139	(112,003)	74,739

The following table sets forth a breakdown of our operating expenses, both in absolute amounts and as a percentage of total operating expenses for the years indicated.

	Year Ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Operating expenses						
Research and development expenses	57,859	44.9	37,102	43.2	45,915	47.4
Administrative expenses	57,439	44.6	36,086	42.0	35,462	36.6
Selling expenses	13,534	10.5	12,689	14.8	15,476	16.0
Total	**128,832**	**100.0**	**85,877**	**100.0**	**96,853**	**100.0**

Reasons for Historical Loss

Our financial results during the Track Record Period primarily reflected a CDMO in its investment, capacity-expansion and portfolio-expansion phase, rather than a mature commercial-stage business. During the Track Record Period, we recorded loss and total comprehensive expense for the year of RMB167.8 million, RMB290.9 million and RMB215.5 million in 2023, 2024 and 2025, respectively. The trajectory of our losses and the subsequent improvement in 2025 were affected by a combination of factors, some of which represent one-time or diminishing headwinds, while others reflect the typical and structural features of biologics CDMO operations.

Our single-facility, standardized and identical production-line design was a deliberate infrastructure choice made with future commercial manufacturing, post-approval ramp-up and regulatory change management in mind. Rather than representing a simple accumulation of nominal bioreactor volume, our infrastructure was planned to serve as the physical foundation of our One Molecule, One Journey model. This allows molecule-specific knowledge accumulated during development to remain within the same manufacturing system as a molecule advances toward commercialization. Such front-loaded investment increased our depreciation, facility operation and maintenance expenses, personnel costs and quality-system costs during the Track Record Period, while the related revenue contribution from commercial manufacturing had not yet fully ramped up.

Set out below are the principal factors contributing to our historical losses:

(i) ***Reserved operational capacity constraints inherent to biologics CDMO operations.*** Regulatory capacity constraints associated with PPQ and BLA-stage biologics manufacturing were a principal structural factor affecting our capacity deployment during the Track Record Period. During the Track Record Period, our project mix was heavily weighted toward late-stage development projects, with 10, 16 and 24 late-stage development projects in 2023, 2024 and 2025, respectively, compared to one, one and two commercialization projects. Projects at the process performance qualification (PPQ) and BLA filing stages are subject to stringent regulatory and quality requirements under GMP frameworks. These requirements are not temporary operating inefficiencies; they represent the necessary compliance architecture of BLA biologics manufacturing. As a result, during periods when a significant portion of our project portfolio is in the PPQ/BLA-stage, a material portion of our physically installed capacity is necessarily reserved for, but not fully deployed by, such projects. This is not because of a lack of demand, but because of the regulatory architecture of late- stage biologics development. This structural feature directly affects our capacity deployment, cost absorption and, consequently, our reported gross margin during such periods. A detailed discussion of the regulatory framework governing late-stage biologics manufacturing, and how it affects our capacity dynamics, is set out in "— Regulatory Framework for Late-Stage Biologics Manufacturing" below in this section.

(ii) ***Limited number of commercialization projects.*** During the Track Record Period, we had one, one and two commercialization projects in 2023, 2024 and 2025, respectively. Commercialization projects generally involve larger order volumes, more recurring production schedules and more favorable gross margins than pre-commercial projects. The limited number of commercialization projects meant that the higher-margin contribution from commercial manufacturing was not yet sufficient to

offset the reserved operational capacity constraints and fixed-cost burden associated with our pre-commercial project mix. In 2025, we had 24 late-stage projects, which represent a portfolio of potential future commercialization opportunities. If and when these projects receive regulatory approval and transition into commercial supply, a greater portion of our revenue would be generated from commercialization projects, which is expected to significantly improve our revenue and gross margin.

(iii) ***Finance costs associated with redemption liabilities.*** Our finance costs were RMB110.6 million, RMB139.1 million and RMB139.7 million in 2023, 2024 and 2025, respectively. These charges are mainly dominated by interest on redemption liabilities, which are non-cash in nature and arise from the accounting treatment of preferred shares with redemption rights. The redemption rights attached to the relevant shares will cease to be effective, and all other preferred rights granted to the relevant investors will automatically terminate upon completion of the **[REDACTED]**. Accordingly, upon **[REDACTED]**, these charges are not expected to have the same impact on our profit or loss.

Our Directors believe our business is sustainable and that we have a credible path to profitability, based on the improvement trajectory from 2024 to 2025, the expected resolution of redemption-related charges upon **[REDACTED]**, the potential commercialization of our BLA project portfolio, and the operating leverage embedded in our single-facility, standardized and cycle-matched commercial manufacturing infrastructure. However, there can be no assurance that our BLA projects will obtain regulatory approval or that, if approved, the relevant customers will continue to engage us for commercial manufacturing. Set out below are the factors supporting this assessment.

Our late-stage development project portfolio is the commercial conversion base of One Molecule, One Journey

During the Track Record Period, our project mix was heavily weighted toward late-stage development but pre-commercial projects, with 10, 16 and 24 late-stage development projects in 2023, 2024 and 2025, respectively, and one, one and two commercialization projects during the same periods. This project mix is a defining feature of our current stage of development: we have successfully accumulated a sizable portfolio of late-stage projects, but the majority have not yet reached the commercial manufacturing stage that generates recurring revenue with higher margin and better leverages our production capacity. The financial impact of this project mix is explained below by reference to the regulatory and operational requirements that govern late-stage biologics manufacturing.

Regulatory framework for late-stage biologics manufacturing

Under applicable GMP requirements, the manufacturing of biologic products at the PPQ and BLA filing stages is subject to heightened regulatory controls. These requirements are mandatory elements of the regulatory compliance architecture. Production segregation requires that different products generally cannot be manufactured in the same production room simultaneously, with heightened cleaning validation, environmental monitoring and line clearance procedures for PPQ and BLA-stage projects. Each PPQ campaign must be executed on a dedicated bioreactor, typically requiring at least three consecutive successful validation batches. Before and during regulatory inspections such as PAI, drug registration on-site inspection or other applicable regulatory inspections, manufacturing lines are reserved and maintained in an inspection-ready state, further restricting deployment. Transitioning between

products on the same line requires extensive cleaning validation, line clearance and is subject to customer audit and approval requirements.

In the United States and the European Union, while the regulatory approach under FDA Guidance: Process Validation: General Principles and Practices and EU Guidelines for Good Manufacturing Practice for Medicinal Products for Human and Veterinary Use, respectively, is generally risk-based except for certain specified product categories, manufacturers are similarly required to maintain appropriate contamination control strategies and validated cleaning procedures and, where relevant risks cannot be adequately mitigated through technical and operational measures, to adopt dedicated facilities or highly segregated arrangements. In China, the GMP framework under Good Manufacturing Practice for Drugs (2010 Revision) (《藥品生產質量管理規範(2010年修訂)》) may also require dedicated facilities, independent air handling systems or special protective measures for certain high-risk products.

These regulatory requirements also explain why commercial-scale CDMO capacity cannot be created only after a customer product has obtained approval. The proposed manufacturing site, manufacturing line, equipment, process controls, quality system and documentation may form part of the regulatory review and inspection basis for late-stage development drug candidates. A CDMO serving customers from PPQ and BLA filing through commercial launch must therefore maintain qualified and inspection-ready infrastructure ahead of approval, even though the related commercial manufacturing revenue may only be realized after successful regulatory approval and launch.

These regulatory requirements mean that during periods when a significant proportion of our project portfolio consists of PPQ/BLA-stage projects, a material portion of our physically installed production capacity is necessarily reserved for such projects but cannot be fully deployed for revenue-generating production at the same rate as commercial manufacturing. This is not a temporary inefficiency; it is an inherent structural feature of late-stage biologics CDMO operations. While PPQ campaigns generate service revenue, each campaign occupies a dedicated bioreactor for at least three consecutive validation batches under heightened production controls, and the throughput and fixed-cost absorption rate during PPQ is substantially lower than that achievable under routine commercial manufacturing. The financial consequence is that fixed manufacturing overheads associated with the reserved but undeployed capacity are charged directly to cost of sales, which suppressed our reported gross margin during such periods.

Our utilization and deployment rates measure two distinct dimensions of capacity deployment

To understand how the regulatory framework affects our capacity deployment and financial performance, we present two complementary metrics: (i) utilization rate and (ii) deployment rate. These two metrics measure fundamentally different dimensions and should be read together, not in isolation.

Utilization rate is measured on the basis of operating days. It is calculated by dividing the actual operating days during which our facilities were used for manufacturing or related activities (including equipment maintenance, facility qualification and other necessary maintenance or compliance-related activities) by the theoretical maximum operating days available during the same period.

Deployment rate is measured on the basis of batches. It is calculated by dividing the number of batches produced during the relevant period by the theoretical maximum number of batches available during the same period.

The gap between utilization rate and deployment rate does not indicate operational inefficiency. Instead, it reflects the structural headroom required for late-stage and commercialization stage biologics manufacturing, where facilities may be occupied for GMP-compliant manufacturing activities while certain installed batch capacity remains unavailable for flexible deployment. This is because PPQ, BLA-stage and commercialization projects may require dedicated, segregated or campaign-based production arrangements under GMP requirements.

The following table sets forth the utilization rates of our major manufacturing lines during the Track Record Period. We define major manufacturing lines as manufacturing lines with relatively large designed capacity and significant contribution to our overall manufacturing capacity. According to the above criteria, our major manufacturing lines during the Track Record Period included DP4, DS7, DS11 and DS12. Among them, DS7, DS11 and DS12 together accounted for 63.5% of our total installed manufacturing capacity, while DP4 represented the only commercial vial filling line at our Changshu site. The utilization rates of DS7 and DP4 in 2023 were 72.1% and 49.3%, respectively; DS7 and DP4 in 2024 were 100.0% and 79.2%, respectively; and DS7, DS11, DS12 and DP4 in 2025 were 94.2%, 75.8%, 76.2% and 91.8%, respectively. These utilization levels indicate that the operationally available production capacity of these lines has been actively utilized within the applicable regulatory constraints.

	Year Ended December 31,		
	2023	2024	2025
Manufacturing Line	Utilization rate		
	(%)		
DS7	72.1	100.0	94.2
DS11	—	—	75.8
DS12	—	—	76.2
DP4	49.3	79.2	91.8

The following table sets forth the deployment rates of our major manufacturing lines during the Track Record Period. The deployment rates are materially lower than the utilization rates. The difference directly reflects the reserved operational capacity headroom, namely capacity that is physically installed but reserved under regulatory and quality requirements associated with PPQ, PAI scheduling, product changeover, customer audits and related compliance arrangements.

	Year Ended December 31,		
	2023	2024	2025
Manufacturing Line	Deployment rate		
	(%)		
DS7	10.3	22.1	14.7
DS11	—	—	0.0
DS12	—	—	0.0
DP4	35.4	60.0	53.8

The reserved operational capacity headroom reflected in our utilization and deployment rates serves a strategic and regulatory purpose within our One Molecule, One Journey model. Biologics manufacturing facilities are not generic production assets that can be freely reallocated across products and stages. Each product and each regulatory stage requires a specific combination of manufacturing line configuration, quality validation status, segregation

arrangements and regulatory documentation. For a CDMO focused on late-stage development projects, installed capacity is not merely a measure of scale, but a prerequisite for serving products as they approach approval and commercial launch. Such projects require capacity headroom for PPQ and BLA-stage activities, dedicated or segregated production arrangements, separate manufacturing lines for different products at different stages, and the transition from pipeline-to-patient. Our installed capacity of 113,400 L and total designed capacity of 228,400 L reflect the scale of infrastructure required to support a diverse biologics pipeline through late-stage development, commercialization and post-approval ramp-up within a single-facility, standardized and unified manufacturing system. As projects successfully transition from PPQ/BLA-stage to commercial supply, a greater proportion of our installed capacity is expected to be productively occupied, improving overall deployment rates and fixed-cost absorption over time. A certain level of capacity headroom will remain an inherent feature of our business model as long as we serve a mix of pre-commercial and commercial projects.

As certain late-stage projects complete PPQ, obtain marketing authorization and transition into commercial manufacturing, the impact of the regulatory and operational constraints described above on our available effective capacity is expected to gradually diminish. In particular, commercial manufacturing typically follows more stable and predictable batch scheduling, which is expected to release the capacity of additional bioreactor tanks and production units previously affected by PPQ or PAI-stage scheduling requirements, enabling higher deployment of installed capacity over time.

Path to Profitability

Our Directors believe that we have a clear path to profitability as our project portfolio continues to expand and mature. Our path to profitability is driven by the conversion of late-stage molecule engagement into recurring commercial batch execution within a single-facility, standardized and cycle-matched manufacturing system. In particular, we expect the conversion of BLA projects into commercialization projects to improve our revenue mix, increase recurring demand, enhance gross margin contribution and enable more efficient deployment of our installed capacity, while our established customer relationships and fixed-cost structure are expected to support stronger customer retention, better cost absorption and improved operating leverage over time.

The increase of commercialization projects is expected to improve our revenue mix and profitability

Commercialization projects generally involve larger order volumes, greater demand visibility, more recurring production schedules and more favorable gross margins than pre-commercial projects. During the Track Record Period, we had one, one and two commercialization projects in 2023, 2024 and 2025, respectively. The limited number of commercialization projects during the earlier years of the Track Record Period meant that the higher-margin contribution from commercial manufacturing had not yet been sufficient to offset the temporary scheduling constraints and fixed-cost burden associated with our late-stage project mix.

The commercialization projects that we undertook during the Track Record Period generally generated more favorable margin profiles than our overall business. We expect that, as more of our late-stage projects obtain regulatory approval and transition into commercial supply, a greater portion of our revenue will be generated from commercialization projects, which is expected to significantly improve our revenue and gross margin.

In addition, once a product enters into commercial supply, manufacturing demand is generally more stable and production planning is typically more predictable, which in turn facilitates improved scheduling efficiency and stronger absorption of our fixed costs. We therefore believe that the continued increase in the number of commercialization projects will be an important driver of our future margin expansion and profitability.

Our late-stage development projects support customer stickiness and future commercialization opportunities

We consider late-stage development project, especially BLA-stage projects to be strategically important because they represent an important source of future commercialization opportunities. As of the Latest Practicable Date, we had supported customers in obtaining three commercial approvals, each relating to a molecule for which we had been involved in its development stage, and the relevant customers had continued to engage us for commercial manufacturing of the approved drugs. In addition, we had supported the submission of three other BLA projects, and the relevant applications were under review by the NMPA as of the Latest Practicable Date.

Transition of late-stage projects into commercial supply and more efficient capacity deployment

For biologic products, the manufacturing site, workshop, manufacturing line, process controls and quality systems form an integral part of a product's regulatory and quality profile. When customers select a manufacturing partner for late clinical, PPQ or BLA filing-stage projects, they typically consider whether such partner can also support future commercial manufacturing from a cost-effectiveness and regulatory-compliance perspective. Globally, once a product has been developed, validated or filed based on a particular manufacturing site and process, any subsequent change of manufacturing site, workshop or manufacturing line may require comparability studies, process and analytical validation, technology transfer, regulatory filing, notification or approval, and potentially additional inspections, depending on the nature and extent of the change and the applicable regulatory requirements, including FDA Guidance: Comparability Protocols for Post-approval Changes, ICH Q5E: Comparability of Biotechnological/Biological Products, and EU Variations Regulation. For a commercialized biologic product in China, changing the manufacturing line or manufacturing site would generally require the customer to complete relevant technology transfer, process validation and comparability work and to obtain renewed NMPA approval or certification, as required by the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》), the Administrative Measures for Post-approval Changes of Drugs (Trial) (《藥品上市後變更管理辦法(試行)》), based on our industry experience, may involve approximately two to three years, subject to the product characteristics, scope of change and regulatory review progress. Further, changing biologics manufacturing suppliers typically involves significant regulatory, technical, validation, transfer, execution, cost and timing considerations and may adversely affect development, filing or commercialization timelines. As a result, once a customer has selected us and progressed a product with us into the late clinical, PPQ, BLA filing or commercial supply stage, such customer will generally have strong incentives to continue to engage us as its manufacturing partner.

Accordingly, while BLA-stage projects may temporarily constrain production scheduling during the relevant validation and filing periods, they also serve to cultivate long-term customer relationships and future commercial opportunities. Our project execution and delivery quality further support customers' willingness to continue working with us and reduce the likelihood of

switching to another CDMO. Once these customers obtain regulatory approval and transition into commercial manufacturing, they are generally expected to become more stable, longer-term customers with recurring demand.

Recent regulatory developments in China have further increased the importance of commercial manufacturing experience for entrusted drug manufacturing. Under the Announcement of the NMPA on Strengthening Supervision and Administration of Contract Manufacturing of Drugs (《國家藥監局關於加強藥品受託生產監督管理工作的公告》), an entrusted manufacturer of sterile biologics is generally expected to have relevant production experience, including commercial manufacturing experience for the same type of product, subject to product-specific regulatory assessment. Such regulatory requirements raise the practical entry barrier for newly established CDMOs without approved-product manufacturing records or commercial manufacturing experience. Innovative biologics companies without in-house commercial manufacturing experience may have fewer qualified CDMO options when selecting an entrusted manufacturer for sterile biologics commercial supply, because a newly built facility without the relevant track record may face practical difficulty in satisfying regulatory expectations for entrusted commercial manufacturing. CDMOs that have accumulated approved-product manufacturing records, GMP inspection experience and recurring commercial batch execution are therefore better positioned to undertake additional commercial manufacturing mandates. As more approved-product manufacturing records and commercial batch execution experience are accumulated, such experience may reinforce future commercial conversion opportunities and create a compounding advantage for experienced CDMOs.

The operating leverage embedded in our single-facility, standardized and cycle-matched commercial manufacturing infrastructure

Our commercial manufacturing infrastructure was designed as a single-facility, cycle-matched system to support recurring commercial batch execution. The core configuration comprises four 6,000 L stainless-steel bioreactors paired with one downstream purification line consisting of two modules, namely primary purification and polishing purification. Each 6,000 L bioreactor produces one batch of drug substance after an approximately 14-day upstream production cycle. The resulting harvest then enters downstream purification, where each purification module is capable of independently processing one batch of drug substance.

The commercial efficiency of this configuration lies in the relationship between the upstream production cycle and the downstream purification cycle. With four 6,000 L bioreactors operating on staggered production schedules, upstream batches can be generated in a recurring sequence. The purification line can process two batches at different purification stages, with one batch undergoing primary purification and another undergoing polishing purification. Such configuration creates a continuous production loop in which upstream output and downstream throughput are aligned, reducing idle time for both the bioreactors and purification modules.

Beyond day-to-day production efficiency, standardized and identical manufacturing line design within the same manufacturing site also helps reduce technical and regulatory uncertainty in future commercial capacity expansion. For approved commercial biologics, adding a new usable manufacturing line may require technical studies, comparability assessment and regulatory review, because the manufacturing site, key equipment and line configuration generally form part of the product registration, process validation and comparability basis. Under China's Administrative Measures for Post-approval Changes to Drugs (Trial) (《藥品上市後變更管理辦法(試行)》), post-approval changes to drugs must not adversely affect their safety,

efficacy or quality controllability, and a change of manufacturing site for biologics that constitutes a major change must be submitted to the Center for Drug Evaluation for approval before implementation. According to Frost & Sullivan, for approved biologics, adding a new usable manufacturing line may involve a regulatory review and approval process of approximately two to three years if treated as a major change, compared with approximately six to eight months if treated as a non-major change. Against this regulatory backdrop, locating additional lines within the same site and adopting identical manufacturing line design, equipment configuration, process control logic and quality system may provide a stronger technical and comparability basis for supporting a less burdensome change pathway, subject to product-specific comparability data and regulatory assessment. For details, please see "Facilities — Our Cycle-Matched Approach to Commercial Manufacturing Line Design" in this section.

We have made substantial upfront investments in such manufacturing facilities, equipment, technical capabilities, quality systems and personnel in order to support our development as a biologics-focused CDMO. As a result, our cost structure includes a significant fixed-cost component, including depreciation, facility operation and maintenance costs, personnel costs and administrative expenses. During the Track Record Period, due to the temporary scheduling constraints associated with late-stage projects and the relatively limited number of commercialization projects, such fixed costs had not yet been fully absorbed.

As our revenue base expands, particularly through increased contribution from commercialization projects, we expect our fixed costs to be spread across a broader revenue base. In particular, higher recurring commercial batch execution within our cycle-matched configuration is expected to allow fixed facility costs, depreciation, quality-system costs and manufacturing personnel costs to be absorbed over a larger number of revenue-generating batches. We therefore expect our gross profit margin and operating leverage to improve over time. In addition, as our commercialization base expands, production planning becomes more predictable and currently constrained tanks and production units are deployed more efficiently, we expect to further improve production efficiency and cost absorption, including through reduced idle time, better synchronization between upstream production and downstream purification, and more efficient scheduling of production campaigns, cleaning validation, line clearance, material planning and quality release activities. And our single-facility, cycle-matched production design may enable us to deploy existing capacity more efficiently, subject to project-specific manufacturing requirements, quality release, changeover, facility maintenance, regulatory filing preparations and inspection-related arrangements. Higher and more stable capacity utilization is expected to support operating leverage by spreading fixed manufacturing costs over a larger production base.

Accordingly, although our undertaking of BLA-stage projects exerted pressure on short-term profitability during the Track Record Period, our Directors believe that such strategy facilitates the cultivation of high-quality customers, supports the expansion of future commercial manufacturing revenue, enhances customer retention and improves our long-term revenue visibility. Combined with high utilization of our available production capacity, more efficient deployment of installed capacity as late-stage projects transition into commercial supply, increasing commercialization contribution, the operating leverage embedded in our single-facility, standardized and cycle-matched infrastructure, the experience-based regulatory barriers that favor CDMOs with established commercial manufacturing records, the expected reduction in the accounting impact associated with redemption liabilities following the

completion of the **[REDACTED]**, our Directors believe that we have a clear and achievable path to profitability.

FACILITIES

Our Current Manufacturing Facilities

Our operations in China are supported by a multi-site manufacturing network across the Suzhou corridor, comprising campuses in Suzhou Industrial Park, Suzhou Changshu, and Suzhou Xiangcheng, with an aggregate GMP facility footprint of approximately 121,265 square meters. Collectively, the network offers a total installed capacity of 113,400 L.

The following table sets forth a summary of certain key information about our manufacturing sites during the Track Record Period.

Site	Site Area and Ownership	Primary Use	Designed Capacity	Utilization Rate[1]	Deployment Rate[2]
	(sq.m.)				
Suzhou Xiangcheng	11,200 (leased)	**Drug Substance/Drug Product** • GMP manufacturing • Process validation • BLA-stage and commercial manufacturing support • Aseptic filling, lyophilization and pre-filled syringe manufacturing	3,200 L	• 60.1% (2023) • 40.4% (2024) • 72.7% (2025)	• 28.7% (2023) • 7.1% (2024) • 28.4% (2025)
Suzhou Industrial Park	22,705 (leased)	**Drug Substance/Drug Product** • GMP manufacturing • Process validation • BLA-stage and commercial manufacturing support • Aseptic filling and lyophilization	26,900 L	• 26.8% (2023) • 13.2% (2024) • 40.3% (2025)	• 8.5% (2023) • 0.0% (2024) • 7.8% (2025)
Suzhou Changshu	87,360 (owned)	**Drug Substance/Drug Product** • GMP manufacturing • Process validation • Aseptic filling, lyophilization and pre-filled syringe manufacturing	198,300 L	• 67.3% (2023) • 73.0% (2024) • 73.1% (2025)	• 13.0% (2023) • 25.3% (2024) • 27.4% (2025)

Notes:

(1) Utilization rate is measured on the basis of operating days. It is calculated by dividing the actual operating days during which our facilities were used for manufacturing or related activities (including equipment maintenance, facility qualification and other necessary maintenance or compliance-related activities) by the theoretical maximum operating days available during the same period.

(2) Deployment rate is measured on the basis of batches. It is calculated by dividing the number of batches produced during the relevant period by the theoretical maximum number of batches available during the same period.

Our Cycle-Matched Approach to Commercial Manufacturing Line Design

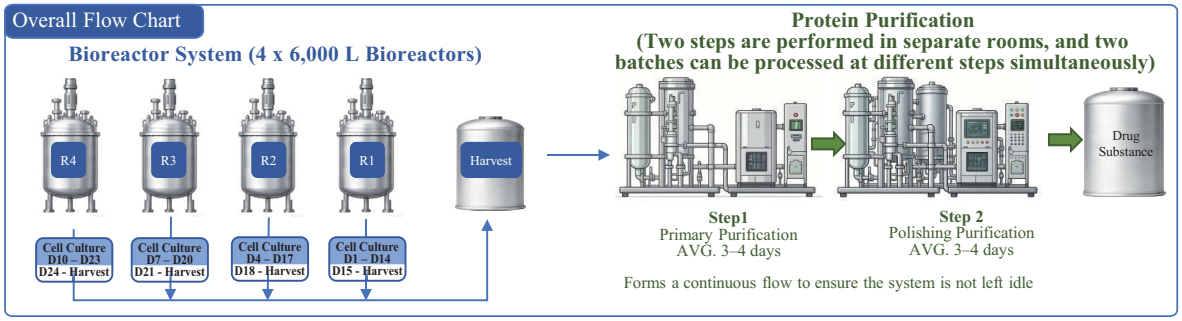
Commercial biologics CDMO capacity is not determined solely by nominal bioreactor volume. For commercialization projects, the value of installed capacity depends more on whether can be organized into a repeatable and sustainable batch execution rhythm. In planning our commercial manufacturing facilities, we therefore focused not on simply expanding nominal bioreactor volume, but on matching upstream output rhythm with downstream processing throughput, with the objective of building a cycle-matched manufacturing system capable of supporting recurring commercial batch execution.

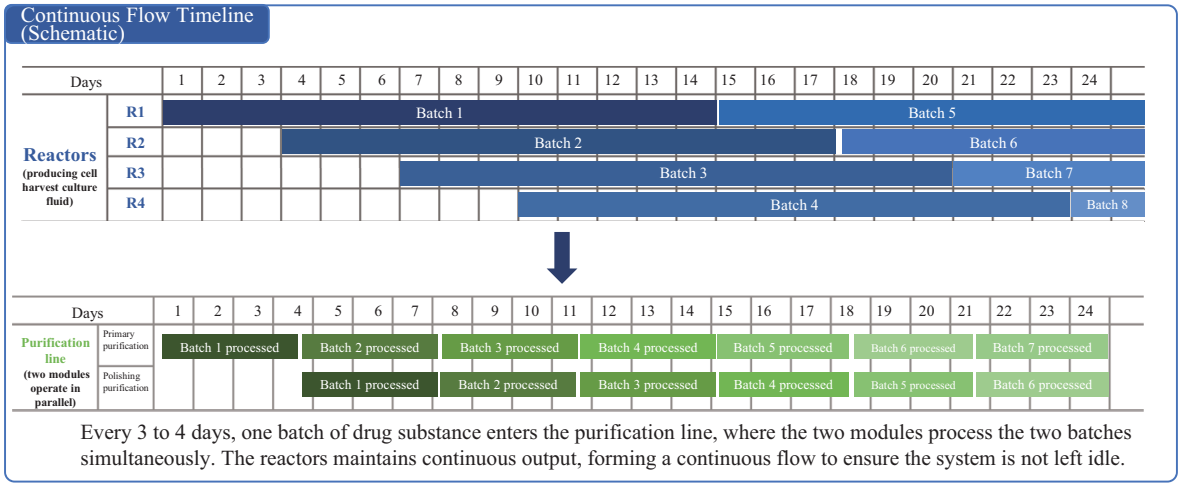
Based on this planning approach, all of our commercial manufacturing lines in Changshu site are designed with four 6,000 L stainless-steel bioreactors and one downstream purification line. Each 6,000 L bioreactor typically requires approximately 14 days to complete one cell culture cycle and generate one batch of cell culture harvest. When the four bioreactors are initiated on a staggered basis, the output rhythm of one batch approximately every 14 days from a single bioreactor can be converted, at the overall upstream system level, into a rolling output rhythm of approximately one batch every three to four days, or one new batch of cell culture harvest entering the downstream purification line approximately every three to four days.

The downstream purification line comprises two core purification modules, namely a primary purification module and a polishing purification module, which can process batches at different purification stages in parallel. For example, while one batch of cell culture harvest enters the primary purification module, another batch of intermediate product that has completed primary purification may enter the polishing purification module. Through this parallel processing arrangement, the downstream purification line can accommodate the upstream output rhythm of approximately one batch every three to four days generated by the staggered operation of the four bioreactors, and allow different batches to move through the two purification stages in a rolling sequence.

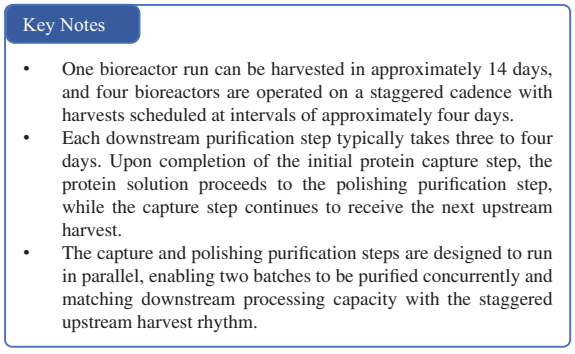
Accordingly, the combination of four 6,000 L bioreactors with one downstream purification line is not a simple grouping of equipment, but an optimized configuration designed to achieve cycle matching between the upstream culture cycle and downstream purification capacity. If the number of bioreactors is insufficient, harvests would not feed into the purification line in a continuous sequence of batches, and the purification line would remain idle while awaiting harvests from the bioreactors, limiting the benefit of parallel processing. Pairing four bioreactors with one purification line aligns the upstream rolling output rhythm of approximately one batch every three to four days with downstream parallel processing capacity, reflecting a focus on overall system efficiency rather than maximization of utilization at any single equipment level.

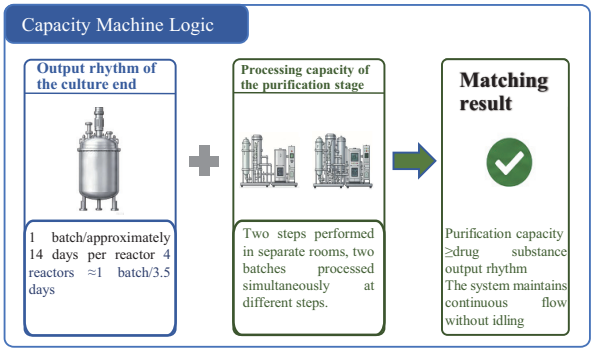
The illustration below shows a representative production rhythm of this cycle-matched commercial manufacturing line.





Every 3 to 4 days, one batch of drug substance enters the purification line, where the two modules process the two batches simultaneously. The reactors maintains continuous output, forming a continuous flow to ensure the system is not left idle.





Note:

For illustrative purposes only. The example shows a single-product commercial manufacturing campaign.

Beyond day-to-day production efficiency, standardized and identical manufacturing line design within the same manufacturing site also helps reduce technical and regulatory uncertainty in future commercial capacity expansion. For approved commercial biologics, the capacity of the originally approved manufacturing line may not be sufficient to meet post-launch market demand during supply ramp-up, and customers typically need to add new approved usable manufacturing lines to expand commercial capacity. For biologics, the manufacturing site, key equipment and line configuration generally form an important part of product registration, process validation and comparability assessment. Any subsequent addition or change involving manufacturing sites, key equipment or line configurations generally requires technical studies, comparability assessment and regulatory review based on its potential impact on product quality, safety and efficacy.

Major regulatory authorities, including those in China, the United States and the European Union, have established change management requirements for manufacturing sites, key equipment and process changes of biologics. Under China's Administrative Measures for Post-approval Changes to Drugs (Trial) (《藥品上市後變更管理辦法(試行)》), post-approval changes to drugs must not adversely affect their safety, efficacy or quality controllability. For changes to a drug manufacturing site, the formulation, manufacturing process and quality standards of the drug should be consistent with those of the original drug, and the marketing authorization holder should ensure the continuous and stable manufacture of products with quality and efficacy consistent with the original drug. For biologics, a change of manufacturing site that constitutes a major change must be submitted to the Center for Drug Evaluation for approval before implementation. In the United States, 21 CFR 601.12 and FDA guidance on changes to an approved application for biological products require applicants to report changes to the product, manufacturing process, quality controls, equipment or facilities, and changes that may have a substantial potential adverse effect on the identity, strength, quality, purity or potency of the product generally require prior approval. In the European Union, Variations Regulation (EC) No 1234/2008 classifies variations to marketing authorizations, and major changes i nvolving manufacturing sites or key manufacturing arrangements generally require prior approval. In addition, ICH Q5E: Comparability of Biotechnological/Biological Products treats manufacturing facilities and equipment that could affect critical process parameters and product quality as part of the manufacturing process, and requires a comprehensive comparability study if a process change is introduced during late-stage development and no additional clinical studies are planned to support marketing authorization.

According to Frost & Sullivan, for approved biologics, adding a new usable manufacturing line may involve a regulatory review and approval process of approximately two to three years if it is treated as a major change, while a non-major change may require approximately six to eight months. Whether a change is treated as major or non-major depends on product-specific characteristics, the nature of the change, the consistency between the additional line and the originally approved line, comparability data, regulatory assessment and applicable regulatory requirements. In this context, where the additional line is located within the same site and adopts an identical manufacturing line design, equipment configuration, process control logic and quality system, such configuration may provide a stronger basis for supporting a less burdensome regulatory change pathway, subject to sufficient product-specific comparability data and regulatory assessment. Compared with capacity expansion involving transfers to different manufacturing sites or materially different line designs, capacity expansion among identical manufacturing lines within the same site is better positioned to preserve molecule-specific process understanding, analytical methods, quality data, batch execution experience and comparability evidence, reduce unnecessary technical variability and duplicative validation work, and support more efficient addition of approved usable lines as customers' commercial supply needs increase.

Future Expansion Plans

We intend to further expand our development and manufacturing capabilities at our Changshu site to support the expected increase in late-stage clinical and commercial biologics projects. Based on our current utilization level and the expected onboarding of PPQ projects, our existing major manufacturing lines are expected to be fully utilized by the fourth quarter of 2028 and would be insufficient to meet the anticipated demand from a growing number of late-stage and commercial projects. Our expansion plans are designed to increase our drug substance manufacturing capacity, establish dedicated ADC drug product and conjugation capacity, and strengthen our process development, analytical development and testing and AI infrastructure. The following table sets forth a summary of certain key information about our future expansion plans:

Planned facility	Planned gross floor area *(sq.m.)*	Primary use	Expected capacity/function	Expected construction period
Additional drug substance module I	3,500	Drug substance manufacturing for late-stage and commercial biologics projects	8 × 6,000 L drug substance module, with expected annual production capacity of 960,000 L	June 2027 to September 2028
Additional drug substance module II	3,700	Drug substance manufacturing for late-stage and commercial biologics projects	8 × 6,000 L drug substance module, with expected annual production capacity of 960,000 L	June 2027 to September 2028
ADC formulation facility	1,800	ADC drug product manufacturing	Expected annual production capacity of approximately 9.6 million vials (2R)	September 2027 to September 2028
ADC conjugation facility	1,400	ADC conjugation	Expected production capacity of 10 kilograms per batch and 1 ton per year	January 2028 to December 2028
Process development laboratory	4,158	Process development	Expected to enhance our process characterization capabilities and alleviate existing laboratory space constraints	June 2027 to June 2028
Analytical development and testing laboratory	3,658	Analytical development and QC testing	Expected to expand our analytical characterization testing and QC testing capacity in response to increased demands	January 2028 to December 2028
AI data center	200	Local computing and data infrastructure	Expected to support AI applications across R&D, manufacturing and operations	June 2027 to June 2028

As of the Latest Practicable Date, we had not commenced the construction of any of the planned facilities. We intend to fund these expansion plans primarily using the net **[REDACTED]** from the **[REDACTED]**, supplemented by our own funds where necessary. See "Future Plans and Use of **[REDACTED]**" for more information.

RESEARCH AND DEVELOPMENT

Research and development is at the heart of our innovation. In 2023, 2024 and 2025, our R&D expenses totaled RMB57.9 million, RMB37.1 million and RMB45.9 million, respectively, representing 12.7%, 8.6% and 9.5% of our revenue for each year respectively. We have built our R&D capabilities through years of focused investment in people, platforms and processes. Our R&D capabilities rest on four mutually reinforcing elements: a seasoned and stable scientific team, proprietary technology platforms, consistent R&D investment, and a disciplined focus on translating innovation into measurable customer value. Together, these create barriers to entry that are difficult for competitors to replicate, enabling us to offer industry-leading biologics CDMO solutions to our customers.

Research and Development Team

We have established an integrated R&D organization covering process development, analytical development and project management, with our R&D resources primarily based in Changshu. Our R&D system supports end-to-end delivery from early-stage development through GMP manufacturing.

As of December 31, 2025, our R&D and technical organization comprised 267 members with deep expertise across pharmaceutics, analytical chemistry, chemical engineering and biotechnology, supporting projects from preclinical research through commercial manufacturing. As of December 31, 2025, process development specialists accounted for around 120 of these professionals, representing more than 50% of the technical team, and our personnel included a significant proportion of advanced degree holders, with approximately 23% holding doctoral or master's degrees, and approximately 54% holding bachelor's degrees.

Our R&D Technology Platforms

We have developed a platform-based technology system that supports process efficiency, scalability, robustness and cost-effectiveness across biologics projects. We have established six proprietary technology platforms spanning cell line development, culture media development, process scale-up, bioconjugation, complex antibody purification and high-concentration formulation development, forming an integrated technical ecosystem from molecular design through commercial manufacturing. This level of technological self-sufficiency differentiates us from competitors and underpins our ability to drive continuous improvement in yield, quality and cost savings for our customers.

Cell Line Development (CLD) Platform

We have established an in-house recombinant protein expression cell line development system that enables us to provide end-to-end services from gene synthesis through commercial manufacturing. Our host cell platform is derived from CHO-K1/GS cells and has undergone multiple additional rounds of adaptations and optimizations with traceable records, and has completed a full suite of safety testing, capable of supporting a broad range of modalities, including monoclonal antibodies, bispecific antibodies, fusion proteins and ADCs, while meeting regulatory requirements of China, the United States and Europe for producing drug substances.

Our screening workflow integrates proprietary expression vectors and selection systems with automated clone screening supported by high-resolution imaging and quantitative analytics, achieving a 95% monoclonality confirmation rate. The platform delivers gene-to-PCB timelines as short as three months, with titers exceeding 10 g/L before optimization. As of the Latest Practicable Date, this platform has supported over 300 molecules in cell line development, contributed to more than 50 clinical approvals, and advanced more than 30 projects into clinical stages.

Proprietary Culture Media Platform

Through continuous R&D and iterative optimization, we have established an in-house developed, chemically defined, serum-free mammalian cell culture media that has been used in a variety of cell types and applications. For antibody production, our platform includes base media, feed media and additive series that are designed to support high expression of recombinant proteins and monoclonal antibodies. For example, our HEK293 media can support over 0.8 g/L in transient expression. In addition, using antibody expression as an example, adoption of our media platform has increased protein expression levels by an average of approximately 40%, while reducing single-batch media costs significantly.

Process Scale-up Platform

Cell culture scale-up remains a key challenge in the biologics industry. Our process scale-up platform focuses on optimization of key parameters, such as kLa, mixing-time conversion tools, as well as hardware improvements including customized spargers and multi-position chemical sensor arrangements. As of the Latest Practicable Date, more than 150 projects and 500 scale-up batches had been successfully conducted on the scale-up platform. This platform also enables us to achieve a scale-up success rate exceeding 98% across single-use and stainless-steel systems.

Bioconjugation Platform

We have built a GMP-compliant bioconjugation platform to support ADC projects. We provide services covering antibody-payload conjugation, analytical and quality control, GMP manufacturing and CMC registration support, in compliance with the requirements of major regulators such as the FDA, EMA and NMPA. The platform supports both random and site-specific conjugation and addresses key ADC challenges, including conjugate uniformity, product stability, free-payload control and scale-up consistency. As of December 31, 2025, we had established conjugation technology platforms covering 10 distinct process routes compatible with different carrier proteins and linker-payload formats, which had been applied in over 30 clinical projects, with the most advanced project having progressed to Phase III clinical trials.

Complex Antibody Purification Platform

Our complex antibody purification platform is designed to address downstream purification challenges for complex molecules — such as aggregation propensity, difficult-to-remove charge variants/impurities and molecules with strong hydrophobicity. This platform deploys hydrophobic interaction chromatography and tangential flow filtration capabilities, together with high-throughput process development and design of experiments (DoE), to accelerate chromatography resin screening and parameter optimization. As of the Latest Practicable Date, more than 150 projects, with nearly 50% involving complex molecules, were supported by this platform to address such challenges.

High-Concentration Formulation Development Platform

We have established a high-concentration formulation development platform that builds upon conventional formulation screening methods and incorporates viscosity-reducing small molecules, amino acids and combinations thereof, with the objective of supporting delivery-friendly, high-concentration presentations. Leveraging this platform, we have developed more than 10 stable high-concentration protein formulations, with the highest protein concentration reaching 180 mg/mL (in general, protein concentration higher than 100 mg/mL is considered difficult to formulate). Our screening workflow generally includes (i) feasibility assessment using precipitation and concentration methods to evaluate solubility and viscosity behavior, (ii) high-throughput pH and buffer screening to assess key indicators (such as solubility and purity), (iii) DoE-based excipient screening to optimize excipient types and ratios (including viscosity-reducing excipients), and (iv) confirmation studies with stability evaluation under multiple storage conditions to verify physicochemical properties and bioactivity and to confirm formulation robustness.

PROJECT MANAGEMENT

We generally assume full project management responsibility for our projects. We have built a comprehensive and efficient project operations and management system, underpinned by a well-established operating framework and full lifecycle service capability. For each project, we tailor our execution approach to the project's specific scope and technical requirements. We select senior technical leads from our core functional departments and form a dedicated, cross-functional project team centered around a project leader, as well as project managers and functional leads. This team assumes end-to-end responsibility for overall execution, internal and external coordination and strict control of key milestones, helping ensure that project objectives are achieved efficiently and to the required quality standards.

From a process-control perspective, we have implemented a lifecycle risk management mechanism. We operate a dynamic Plan-Do-Check-Act (PDCA) cycle throughout project delivery to monitor critical paths and deliverables in real time, identify potential deviations promptly and implement corrective actions in a timely manner. In addition, we leverage digital project management tools to enable visualization and transparency of project schedules, change controls and budgets, which support disciplined execution and effective management of project progress.

In terms of project communication, we have established standardized communication and reporting protocols. From project kick-off to close-out, we provide customers with regular, multi-dimensional progress updates and reports, enabling timely, accurate and consistent information sharing and facilitating efficient decision-making throughout the project lifecycle.

QUALITY MANAGEMENT

We have established a quality management system designed to meet applicable regulatory requirements, including those of the NMPA, FDA, EMA, PIC/S and ICH, and to support multi-jurisdictional registration and ongoing compliance for customer projects. Our quality management system is designed to cover lifecycle activities and to support consistent and compliant delivery across development, manufacturing and lifecycle management. As of the Latest Practicable Date, we sucessfully passed 20 inspections by Chinese regulatory authorities, six EU QP audits and over 200 customer audits.

Our quality management system is intended to provide a systematic framework that spans the full product lifecycle, and supports controlled, compliant and traceable execution of our CDMO services. Our senior management bears ultimate responsibility for the establishment, implementation, oversight and continuous improvement of our quality management system.

Research and Development

We introduce quality by design (QbD) concepts at an early-stage of process development. We define the quality target product profile (QTPP), identify critical quality attributes (CQAs), and apply risk assessment tools to determine critical process parameters (CPPs) and critical material attributes (CMAs), with a view to establishing a scientifically justified design space and control strategy. We have also implemented dedicated R&D quality procedures to ensure that R&D activities are conducted under controlled conditions, including management of laboratory records, analytical development and validation/verification, stability study management and change control during the R&D stage.

Technology Transfer

We have established and implemented a standardized technology transfer process that covers both internal transfers (from our R&D to our manufacturing) and external transfers (from customers to our manufacturing). This process defines, among other things, team responsibilities, knowledge transfer requirements, risk assessment, gap analysis and closure, process validation/verification planning and execution, analytical method transfer and comparability study activities, as applicable. Prior to initiating technology transfer, we conduct systematic risk assessments and gap analyses to identify and control risks relating to processes, equipment, analytical methods and regulatory requirements, and we implement corresponding corrective and preventive measures where needed. Technology transfer is generally concluded upon, among other things, successful completion of PPQ batches, successful analytical method transfer and completion/approval of the relevant documentation, to support stable and consistent manufacturing at commercial scale in accordance with predefined specifications. Upon completion, a comprehensive product comparability study is completed to support regulatory filing and approval.

Commercial Manufacturing

We have established GMP-compliant controls across our commercial manufacturing activities, including supplier evaluation, approval and ongoing management, and we apply lifecycle controls over starting materials, excipients, packaging materials and key consumables, including qualification review, quality agreements, incoming inspection/release, periodic re-evaluation and performance monitoring. We manage manufacturing operations through controlled facilities and equipment, preventive maintenance and calibration programs, and qualification/validation of relevant computerized systems, supported by role-appropriate training and qualification requirements for personnel performing quality-impacting activities.

We operate a comprehensive documentation and validation system, including SOPs, batch records, testing records and validation documentation, to support traceability and data retention and to ensure all relevant operations are within the predefined ranges. We conduct process validation and implement continued process verification (CPV) after commercialization through ongoing monitoring and trending of process and product quality data, and we implement a validated cleaning program to mitigate cross-contamination and mix-up risks. Our quality control (QC) and quality assurance (QA) functions support compliant delivery through testing (including stability programs) and independent quality oversight and release, including batch record review, supplier quality management, change control, deviation management, corrective action and preventive action (CAPA) implementation, annual product review (APR) and internal audits.

Product Lifecycle Support

We have implemented a change control framework intended to assess, classify, approve and manage changes that may impact product quality, safety, efficacy or regulatory status, and to support customer and/or regulatory notifications where required. We require deviations from approved procedures or specifications to be recorded, investigated and subject to root-cause identification in a timely manner, with CAPA developed and implemented to address root causes and prevent recurrence.

Senior management conducts periodic management review of our quality management system based on inputs that may include internal and external audit outcomes, APR results, deviation/CAPA trending, customer feedback and regulatory developments, to assess the suitability, adequacy and effectiveness of the system and to drive continuous improvement.

SALES AND MARKETING

We maintain a sales and marketing organization that supports customer acquisition and account management across our service offering. We have a team of well-trained sales and marketing specialists who are dedicated to understanding the demands of existing and potential customers and work closely with our technical experts and production personnel to introduce our technologies and services, prepare quotations and secure customer orders. As of December 31, 2025, we had 20 dedicated sales and marketing personnel, who help ensure continued success and growth of our business.

Our sales and marketing strategy is anchored in trust-based branding, targeted customer acquisition and disciplined customer relationship management. We have adopted a direct sales model and established a full-service marketing strategy. We source leads primarily through our existing customer base and industry referrals, including introductions from industry stakeholders such as investors and supply chain partners, and we supplement such referrals with proactive outreach, such as participating in industry forums, conferences and exhibitions and identifying potential customers through public and official channels. We have also established an active online presence, providing extensive information about our technology platform, our reliable services and our competitive and technical advantages.

In light of our specialized customer base, customer referrals and word-of-mouth marketing have significantly contributed to new customer acquisition. Since our inception, our senior management has been actively involved in managing our sales and marketing activities and maintaining direct relationships with our key customers. Our sales, R&D, production and quality management departments work closely and cooperate to ensure and maintain our customer satisfaction.

A new customer typically assigns us a small project to test our quality and capabilities. After we successfully complete the assignment, the customer often increases the size and duration of succeeding contracts and engages us for additional types of assignments. In particular, our integrated biologics development and manufacturing capabilities have enabled us to transform customers who initially only seek our development services into customers who utilize the full spectrum of our services to bring their biopharmaceutical concepts and ideas all the way to commercial manufacturing.

Looking ahead, we plan to leverage our established customer base and proven track record in China to deepen our domestic market presence and strengthen our market position in China's biologics CDMO industry. To capture growth opportunities outside China, we will also further expand our presence to key overseas markets, with a view to developing international business into a meaningful growth driver that supports our scalable growth and sustained performance improvement.

OUR CUSTOMERS

We have a diversified customer base, including large biopharmaceutical companies, as well as diverse biotech companies. We are devoted to enhancing the breadth of our services and providing customized services to target customers with differentiated requirements.

Revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB224.4 million, RMB175.4 million and RMB269.9 million in 2023, 2024 and 2025, respectively, representing 49.3%, 40.5% and 55.8% of our total revenue for the respective years. Revenue generated from our largest customer in each year during the Track Record Period amounted to RMB114.9 million, RMB43.0 million and RMB162.4 million in 2023, 2024 and 2025, respectively, representing 25.3%, 9.9% and 33.6% of our total revenue for the respective years. None of our Directors, their respective close associates, or Shareholders who, to the knowledge of our Directors, own 5% or more of our issued share capital had any interest in any of our five largest customers in each year during the Track Record Period.

The following table sets forth details of our five largest customers during the Track Record Period:

Customer	Service purchased	Year(s) of business relationship	Credit term and payment method	Revenue	% of total revenue
				RMB'000	
For the year ended December 31, 2025					
Customer A	CDMO	Since 2020	30 days to 5 months; Bank transfer	162,434	33.6
Customer B	CDMO	Since 2020	30 to 45 days; Bank transfer	33,795	7.0
Customer C	CDMO	Since 2022	5 to 30 days; Bank transfer	28,627	5.9
Customer D	CDMO	Since 2025	45 days; Bank transfer	24,761	5.1
Customer E	CDMO	Since 2024	10 to 30 days; Bank transfer	20,293	4.2
Total				**269,910**	**55.8**

Customer	Service purchased	Year(s) of business relationship	Credit term and payment method	Revenue	% of total revenue
				RMB'000	
For the year ended December 31, 2024					
Customer F	CDMO	Since 2019	10 to 30 days; Bank transfer	43,030	9.9
Customer G	CDMO	Since 2021	10 to 20 days; Bank transfer	35,846	8.3
Customer B	CDMO	Since 2020	30 to 45 days; Bank transfer	33,859	7.8
Customer H	CDMO	Since 2020	5 to 30 days; Bank transfer	32,135	7.4
Customer C	CDMO	Since 2022	5 to 30 days; Bank transfer	30,538	7.1
Total				**175,408**	**40.5**

Customer	Service purchased	Year(s) of business relationship	Credit term and payment method	Revenue	% of total revenue
				RMB'000	
For the year ended December 31, 2023					
Customer F	CDMO	Since 2019	10 to 30 days; Bank transfer	114,939	25.3
Customer A	CDMO	Since 2020	30 days to 5 months; Bank transfer	36,178	8.0
Customer I	CDMO	Since 2022	15 days; Bank transfer	31,860	7.0

Customer	Service purchased	Year(s) of business relationship	Credit term and payment method	Revenue	% of total revenue
				RMB'000	
Customer C	CDMO	Since 2022	5 to 30 days; Bank transfer	25,061	5.5
Customer J	CDMO	Since 2022	10 to 30 days; Bank transfer	16,329	3.6
Total				**224,367**	**49.3**

Notes:

(1) Customer A is a biopharmaceutical company in China focusing on glucagon-like peptide-1 ("**GLP-1**") receptor agonist and metabolic disease innovative drugs with a registered capital of RMB456.82 million.

(2) Customer B is a biopharmaceutical company in China focusing on small-molecule drugs, bispecific/multi-specific antibodies and recombinant protein technology with a registered capital of RMB264.71 million.

(3) Customer C is a biopharmaceutical company in China focusing on ADC, bispecific antibody and innovative oncology & immunology drugs with a registered capital of US$100 million.

(4) Customer D is a biopharmaceutical company in China focusing on probiotic & micro-ecological preparation technology with a registered capital of RMB1.0 million.

(5) Customer E is a biopharmaceutical company in China focusing on biomedical engineering and innovative antibody drug technology with a registered capital of RMB10 million.

(6) Customer F is a biopharmaceutical company in China focusing on viral hepatitis, liver disease and oncology innovative drug R&D with a registered capital of US$58.88 million.

(7) Customer G is a biopharmaceutical company in China focusing on multi-target biologics, GLP-1 related drugs and metabolic & cardiovascular disease therapies with a registered capital of RMB16.16 million.

(8) Customer H is a biopharmaceutical company in China focusing on bispecific antibodies and musculoskeletal disease drug technology with a registered capital of RMB250 million.

(9) Customer I is a biopharmaceutical company in China focusing on micro-ecological preparations and probiotic pharmaceutical technology with a registered capital of RMB40 million.

(10) Customer J is a holding company in Hong Kong, the operating subsidiary of which is a biopharmaceutical company in China focusing on discovering and developing biologics in oncology and immunology with a registered capital of US$50 million.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material dispute with our customers or any material breach of our service contracts or agreements. To the best of our knowledge, as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to termination of contractual relationships between us and any of our five largest customers in each year during the Track Record Period.

Key Contractual Terms with Our Customers

We typically enter into master service agreements with our customers, which set forth the general rights and obligations of the parties.

- ***Service scope.*** We provide R&D, manufacturing and quality control services under individual work orders and are responsible for the authenticity, accuracy and completeness of the relevant records and reports. Deliverables include stage-based documentation or data deliverables and physical deliverables shipped under specified conditions.

- ***Fees and payment.*** We charge and collect fees in accordance with the master service agreement, applicable work order(s) and any supplemental agreement(s), payable to our designated account by agreed bank payment methods.
- ***Project management.*** We commence a project after receipt of the initial payment and the customer's written project initiation notice. For each project, we appoint a project lead and a project manager to coordinate progress and deliveries.
- ***Intellectual property.*** We and the customer each retain ownership of our respective pre-existing intellectual property. Project intellectual property created or developed in connection with the services is generally owned by the customer, while we retain certain independently developed improvements derived from our own pre-existing IP, methods or self-funded service processes, subject to agreed limitations.
- ***Confidentiality.*** Each party shall treat non-public or proprietary information disclosed under the agreement by the other party as confidential and comply with ongoing confidentiality obligations, subject to customary exceptions. Confidentiality obligations survive termination or expiry, and confidential information must be returned upon termination/expiry unless otherwise agreed.
- ***Term and termination.*** We perform services through work orders during the term of the agreement. The customer may terminate the agreement by written notice (generally at least 10 business days in advance), with settlement based on work performed and without prejudice to accrued rights and remedies.

Under these master service agreements, services for individual projects are carried out through separate and distinct work orders. Each work order specifies project specifications, management, schedule, development and/or manufacturing steps, rules governing reporting, service fee and payment instructions.

During the Track Record Period and up to the Latest Practicable Date, there were no material breaches of our service agreements either on our part or on the part of our customers, and there was no termination of any material contract.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of providers of raw materials, equipment and engineering services. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB286.7 million, RMB439.2 million and RMB162.4 million in 2023, 2024 and 2025, respectively, representing 33.6%, 48.8% and 32.5% of our total purchases for the respective years. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB99.0 million, RMB197.8 million and RMB58.3 million in 2023, 2024 and 2025, respectively, representing 11.6%, 22.0% and 11.7% of our total purchases for the respective years. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material dispute with our suppliers or any material breach of our supply contracts or agreements. To the best of our knowledge, as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to termination of our relationships with any of our five largest suppliers in each year during the Track Record Period. None of our Directors, their respective associates, or Shareholders who own 5% or more of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period.

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

Supplier	Service purchased	Year(s) of business relationship	Credit term and payment method	Purchase amount	% of total purchases
				RMB'000	
For the year ended December 31, 2025					
Supplier A	Equipment and raw materials	Since 2024	30 to 90 days; Bank transfer	58,345	11.7
Supplier B	Engineering	Since 2020	By installment; Bank transfer	40,826	8.2
Supplier C	Equipment and raw materials	Since 2020	30 to 60 days; Bank transfer	22,917	4.6
Supplier D	Equipment	Since 2020	By installment; Bank transfer	21,405	4.3
Supplier E	Engineering	Since 2021	By installment; Bank transfer	18,898	3.8
Total				**162,391**	**32.5**

Supplier	Service purchased	Year(s) of business relationship	Credit term and payment method	Purchase amount	% of total purchases
				RMB'000	
For the year ended December 31, 2024					
Supplier E	Engineering	Since 2021	By installment; Bank transfer	197,818	22.0
Supplier F	Equipment	Since 2021	By installment; Bank transfer	78,680	8.7
Supplier D	Equipment	Since 2020	By installment; Bank transfer	73,563	8.2
Supplier A	Equipment and raw materials	Since 2024	90 days; Bank transfer	56,499	6.3
Supplier G	Equipment	Since 2021	By installment; Bank transfer	32,662	3.6
Total				**439,222**	**48.8**

Supplier	Service purchased	Year(s) of business relationship	Credit term and payment method	Purchase amount	% of total purchases
				RMB'000	
For the year ended December 31, 2023					
Supplier B	Engineering	Since 2020	By installment; Bank transfer	99,024	11.6
Supplier F	Equipment	Since 2021	By installment; Bank transfer	59,134	6.9
Supplier H	Equipment and raw materials	Since 2020	Prepayment; Bank transfer	55,863	6.5
Supplier D	Equipment	Since 2020	By installment; Bank transfer	38,102	4.5
Supplier G	Equipment	Since 2021	By installment; Bank transfer	34,569	4.1
Total				**286,693**	**33.6**

Notes:

(1) Supplier A is a company in China primarily providing bioprocess equipment with a registered capital of RMB50 million.

(2) Supplier B is a company in China primarily providing cleanroom engineering solutions with a registered capital of RMB100 million.

(3) Supplier C is a company in China primarily providing lab & biopharmaceutical equipment with a registered capital of RMB20 million.

(4) Supplier D is a company in China primarily providing pharmaceutical freeze-drying & engineering solutions with a registered capital of RMB765.83 million.

(5) Supplier E is a company in China primarily engaging in general construction contracting with a registered capital of RMB15 billion.

(6) Supplier F is a company in China primarily providing biopharmaceutical purification equipment with a registered capital of RMB25.33 million.

(7) Supplier G is a company in China primarily providing bioreactor & pharmaceutical equipment with a registered capital of RMB52 million.

(8) Supplier H is a company in China primarily offering life science solutions with a registered capital of RMB1.283 billion.

Key Contractual Terms with Our Suppliers

We generally enter into long-term supply agreements with our suppliers, and may further enter into purchase orders under these agreements. We also enter into one-off supply agreements with some suppliers. These supply agreements set forth the quality criteria, delivery schedule and terms of pricing and payment. Our suppliers are also required to comply with the relevant business integrity and anti-bribery undertakings as specified in the agreements. Our suppliers typically charge us upon delivery of the procured supplies based on the delivery schedule and payment terms set forth in the relevant supply agreements. We typically have the right to terminate a supply agreement when our suppliers fail to cure a material breach within a certain period of time.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers or experience any material breach of our supply agreements. To the best of our knowledge, as of the Latest Practicable Date, there was no information or arrangement that would lead to termination of our relationships with any of our major suppliers.

Procurement

We have adopted a comprehensive set of procurement management policies and systems to standardize procurement procedures, safeguard procurement quality and improve efficiency while controlling costs. We have established procedures and segregation of duties across departments for key steps of procurement, including requisition, procurement execution, contract review, payment approval and receipt/acceptance.

Our procurement process generally covers procurement planning and requisition approval, determination of procurement method, contract approval, receipt and inspection/acceptance, and payment management. We select our suppliers based on stringent criteria and applicable laws and regulations to ensure the quality of our supplies. When selecting suppliers, we consider, among other things, their product quality, product offerings, cost-effectiveness, technical suitability, reputation, service quality, delivery schedule and, where applicable, GMP compliance. Our suppliers are required to possess all licenses and permits necessary to conduct their operations.

We maintained a list of qualified suppliers. We conduct an annual supplier review program organized by our procurement department, assessing suppliers across key criteria such as quality, pricing, delivery performance and after-sales service, and documenting the results in a supplier evaluation form. Based on the scoring outcomes, our procurement team updates the qualified supplier list, applies differentiated follow-up actions and removes underperforming suppliers in a timely manner.

We generally return defective or expired products to suppliers in accordance with market practice. During the Track Record Period and up to the Latest Practicable Date, we had not encountered quality problems or received defective products or experienced any product returns that could have a material adverse effect on our business, financial condition or operations.

Raw Materials

During the Track Record Period, our key raw materials and consumables typically include cell culture media and feeds, chromatography resins, filtration membranes, single-use bioprocess components, buffer/process chemicals, and formulation excipients and primary packaging materials, with ADC projects additionally requiring linker/payload and related reagents. These raw materials are generally readily available in the market through multiple suppliers. During the Track Record Period, we did not experience any significant fluctuations in raw material prices or delays that had a material impact on our results of operations or financial position.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Customer A was among our five largest customers for the years ended December 31, 2023 and 2025, respectively, primarily procuring our biologics CDMO services. Revenue generated from Customer A was RMB36.2 million, RMB26.2 million and RMB162.4 million in 2023, 2024 and 2025, respectively, representing 8.0%, 6.0% and 33.6% of our total revenue for the respective years. In 2024, we purchased certain production equipment from Customer A for our ordinary manufacturing line construction needs, which was one-off in nature. Purchases from Customer A were nil, RMB24.4 million and nil in 2023, 2024 and 2025, respectively, representing nil, 2.7% and nil of our total purchases for the respective years.

Our Directors confirmed that all of our sales to and purchases from Customer A were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on an arm's length basis. Our Directors confirm that, save as disclosed above, none of our major customers was also a supplier, or vice versa, during the Track Record Period.

INTELLECTUAL PROPERTY

Intellectual property rights are critical to our business. We develop and use a number of proprietary technologies, methodologies and know-how in our business operations, and we rely on a combination of patent, trademark, copyright and other intellectual property laws as well as contractual arrangements to protect our intellectual property. As of December 31, 2025, we had 48 issued patents and had filed nine patent applications in China. As of the same date, we had eight registered trademarks in China and six in other jurisdictions. We were also the registered owner of three computer software copyrights and two domain names. See "Statutory and General Information — Further Information about Our Business — Intellectual Property Rights" in Appendix V for further details of our material intellectual property rights.

Our reputation and business success also depend on our ability to protect the intellectual property rights of our customers. Due to the nature of our services, we typically have access to drug formulations, production processes and other intellectual property owned by or licensed to our customers. Protecting our customers' intellectual property has been a strategic priority of our business since our inception. We strategically focus on the role of a partner in developing and manufacturing drugs rather than a drug developer or drug owner, and therefore do not have interests that conflict with those of our customers. We have established an intellectual property protection system to manage document transmission and archiving, preservation of documents related to R&D and manufacturing, supervision and control of laboratory computers and access to documents containing confidential information. We also implement access control measures on a need-to-know basis for project documents and confidential information. We typically enter into confidentiality agreements with our employees and provide training to enhance their awareness of intellectual property protection.

Despite the precautions and measures we have taken to protect our intellectual property and our customers' intellectual property, third parties may obtain and use intellectual property that we or our customers own without our consent. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be successful in protecting our customers' or our own intellectual property" for more information. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material disputes or pending legal proceedings relating to intellectual property rights with third parties.

COMPETITION

We face competition primarily from other leading biologics CDMO companies in China as well as globally. There are at least 150 biologics CDMO companies worldwide, among which at least 25 are based in China. Among domestic biologics CDMOs primarily focused on antibody drugs, we ranked third in China's biologics CDMO market in terms of revenue in 2025, according to Frost & Sullivan. Biologics CDMO service providers face competition based on several factors, including growth of the overall pharmaceutical market, the market demand, quality and breadth of services, specific scientific and regulatory expertise, advanced technological requirements, high capital expenditure needs, delivery timeliness, manufacturing capabilities and capacity, qualified talent, stable supply chains, and ability to build/establish capable GMP certified facilities.

In terms of barriers to entry, the biologics CDMO market generally requires scalable GMP manufacturing capacity and production flexibility, robust process development, scale-up and technology transfer capabilities, advanced modality manufacturing capabilities, and mature quality systems to meet stringent regulatory requirements. We believe that we can maintain our competitiveness by leveraging our established position in the biologics CDMO market and capitalizing on the opportunities offered by this fast-growing market. Please see the section headed "Industry Overview" for details.

EMPLOYEES

As of December 31, 2025, we had a total of 906 full-time employees, all of whom were based in China. The following table sets forth a breakdown of our employees categorized by function as of December 31, 2025:

Function	Number	Percentage
Manufacturing	260	28.7
Quality control and assurance	225	24.8
R&D and technical	267	29.5
Sales, marketing and business development	20	2.2
General and administrative	134	14.8
Total	**906**	**100.0**

Our success relies on our ability to attract, motivate, train and retain skilled personnel. We believe we offer competitive compensation packages and a collaborative and creative work environment, which has allowed us to attract and retain qualified talent and maintain a stable core management team. We prioritize training to ensure our workforce maintains the requisite knowledge and skill levels. We offer training programs at all levels, tailored to employees' functions, positions and responsibilities, covering both technical and soft skills.

We enter into standard labor contracts with our employees. We also enter into standard confidentiality agreements with each of our employees. In line with PRC laws, we participate in government-mandated employee benefit plans, including social insurance for pensions, medical care, unemployment, work-related injury, maternity, and housing provident funds. We are required by PRC law to contribute to employee benefit plans at specific rates based on employee salaries, bonuses and certain allowances, up to limits set by local regulations. During the Track Record Period, we did not fully make social insurance contributions and housing provident fund contributions for our PRC employees as required under the relevant PRC laws and regulations.

For further details and associated risks, see "Risk Factors — Our failure to fully comply with labor-related laws may expose us to potential penalties."

We strive to create an equitable, inclusive, and diverse workplace while fostering positive working relationships with our employees. We have not established a labor union. All labor disputes are handled in accordance with all applicable laws, rules and regulations. We believe we have a positive working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we experienced no strikes, work stoppages, or labor disputes that materially affected our business operations.

DATA PRIVACY AND PROTECTION

We mainly process research, development and manufacturing data during the ordinary course of our business. We have established procedures to protect the confidentiality of data. We implement strict internal policies to govern the collection, handling, storage, retrieval of, and access to client data and pharmaceutical technology and production data, and to protect the security and confidentiality of client data to ensure compliance with all applicable laws and regulations on data protection and privacy. We have also implemented a comprehensive information security management policy to safeguard our data assets and prevent unauthorized access to our network.

All of our data are stored within the PRC. We provide CDMO services to pharmaceutical and biotech companies. As such, we do not, nor do we plan to, perform any clinical trials, or collect any personal information from any clinical trial participants or patients during our ordinary course of business. In addition, we do not, nor do we plan to, engage in the transmission of personal information and important data to overseas parties; nor do we allow or intend to allow foreign individuals or organizations to access personal information stored within the PRC.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any breach of confidential client information or any other client information-related incidents which could cause a material adverse effect on our business, financial condition or results of operations. Our PRC legal advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalty or involved in any accident or fatality in relation to data privacy, and had been in compliance with the relevant PRC laws and regulations in all material respects.

INSURANCE

Our insurance coverage includes all-risks property insurance, machinery breakdown insurance, employers' liability insurance, work safety liability insurance, public liability insurance, product liability insurance and erection all-risks insurance, among others. We also provide social security insurance and housing provident fund contributions for our employees as required by PRC law. While we believe that our insurance coverage is adequate and in line with industry practice in the biologics CDMO sector, it may be insufficient to cover all claims for product liability or damage to our fixed assets at all times. See "Risk Factors — Any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources" for more information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

ESG Governance Structure

In line with the standards set out in Appendix C2 of the Listing Rules, we have established our *ESG Management System* and established a three-tier governance structure with clearly defined responsibilities. The Board serves as the highest decision-making body for ESG matters. It is responsible for approving our ESG strategy, targets, and for overseeing ESG and climate-related risks. The Environmental Health and Safety (EHS) Department acts as the executive unit for ESG work. Its specific responsibilities include formulating ESG work plans, collecting key performance indicator data, identifying ESG and climate risks and opportunities, and regularly reporting to the Board on the operation of the ESG system and progress against targets. Furthermore, all operational departments are tasked with implementing ESG policies within their respective areas, such as cooperating with EHS audits to ensure the compliant management of wastes, emissions and occupational hazards.

Environmental

Emissions Management

We strictly comply with all relevant national and local environmental laws and regulations in the locations where we operate. The primary environmental impacts from our operations are industrial waste gas, industrial wastewater, and solid waste, which we manage through stringent control measures:

- **Waste Gas Management:** All industrial waste gas generated during operations is captured through dedicated collection systems and treated to meet emission standards before being discharged.
- **Wastewater Management:** Industrial wastewater undergoes initial treatment at our internal treatment plant, employing a segregated treatment process.
- **Waste Management:** For the disposal of both hazardous waste and non-hazardous waste, the EHS Department engages qualified third parties to dispose of such waste in a compliant manner. Non-hazardous waste is compacted and baled to reduce storage volume, thereby saving spatial resources and reducing disposal costs. Furthermore, we conduct general solid waste authentication on sludge from our wastewater station to reduce hazardous disposal.

		Year Ended December 31,		
Emissions	**Unit**	**2023**	**2024**	**2025**
Hazardous Waste				
Total Hazardous Waste	tonnes	453.40	496.60	499.83
Total Hazardous Waste Intensity	tonnes/million RMB	1.00	1.15	1.03
Non-Hazardous Waste				
Total Non-Hazardous Waste	tonnes	193.80	263.97	108.12
Total Non-Hazardous Waste Intensity	tonnes/million RMB	0.43	0.61	0.22
Packaging Materials				
Total Package Consumption	tonnes	8.85	5.77	5.55
Total Package Consumption Intensity	tonnes/million RMB	0.02	0.01	0.01

Resource Management

We are committed to the efficient use of resources and the continual improvement of our energy performance. Across our facilities, we implement rigorous control measures for key resources such as water, electricity and natural gas. The wastewater treatment plant enables the reuse of freshwater, thereby reducing our overall consumption of fresh water.

		Year Ended December 31,		
Resources	**Unit**	**2023**	**2024**	**2025**
Water Consumption				
Total Water Consumption	m^3	525,834.00	364,683.00	485,388.00
Total Water Consumption Intensity	m^3/million RMB	1,155.72	841.63	1,002.52
Electricity Consumption				
Total Electricity Consumption	MWh	41,536.78	34,159.41	45,430.52
Total Electricity Consumption Intensity	MWh/million RMB	91.29	78.83	93.83

We have established the following environmental targets against our 2023 baseline to drive continuous improvement in our sustainability performance:

- Reduce electricity consumption intensity by 5% by 2030;
- Reduce water consumption intensity by 10% by 2030;

Climate Change

Climate-related issues pose a degree of potential risk to our operations. We actively respond to the national "dual-carbon" goals and adhere to the principles of sustainable development.

Physical Risk

We believe that climate-related issues may bring an increased risk of severe extreme weather events, such as more frequent and intense typhoons, floods, and extreme temperatures. Extreme weather events could potentially disrupt our manufacturing activities, damage our facilities, or impede the transportation of raw materials and finished products. In addition, such disasters could lead to power outages or interruptions in the municipal water supply, upon which our manufacturing processes heavily depend. To mitigate these risks, we have implemented backup measures for critical utilities and maintain emergency response procedures to ensure rapid recovery of operations in the event of a climate-related disruption.

Transition Risk

With the implementation of China's "dual-carbon" strategy, governmental authorities have increasingly focused on controlling energy consumption and reducing carbon emissions. This transition may result in stricter environmental regulations and enhanced emission standards which could increase our operational costs, particularly in relation to energy consumption and waste treatment. In response, we continuously monitor regulatory developments and engage with industry peers to understand emerging best practices.

		Year Ended December 31,		
Greenhouse gas (GHG) Emissions	**Unit**	**2023**	**2024**	**2025**
Scope 1: Direct GHG Emissions	t CO_2e	9,885.21	6,949.52	7,854.16
Scope 2: Indirect GHG Emissions	t CO_2e	23,334.88	19,190.26	25,524.38
Scope 3: Other GHG Emissions	t CO_2e	324.16	232.90	229.34
Total GHG Emissions	t CO_2e	33,544.24	26,372.67	33,607.88
Total GHG Emission Intensity	t CO_2e/million RMB	73.73	60.86	69.41

We have established a climate-related target against our 2023 baseline, to reduce GHG emission intensity by 5% by 2030. The Board, with support from the EHS Department, will review the target from time to time and update it as necessary to align with evolving sustainability developments, regulatory changes and industry standards.

Social Responsibility

Employee Management

We regard our employees as our most valuable asset. We strictly adhere to relevant laws and regulations relating to labor management, and have formulated a series of internal policies, including the *Employee Handbook*, *Recruitment Management Policy*, and *Compensation and Benefits Management Policy*.

We are committed to creating an inclusive workplace. For instance, we have established a nursing room to facilitate the return to work for breastfeeding employees. We uphold the principle of fair employment and prohibit all forms of discrimination based on ethnicity, gender, age, or religion. During recruitment, we take measures such as identity verification to prevent child labor, and any such finding during recruitment would result in immediate disqualification of the relevant candidate.

Occupational Health and Safety

We place high importance on production safety and have established a comprehensive safety and occupational health management system.

- **Safety Measures:** For workplaces with occupational hazard risks, we have installed protective facilities such as isolators, emergency eyewash and shower stations, auxiliary exhaust hoods, and fresh air systems equipped with filters to prevent occupational diseases.
- **Health Surveillance and Training:** We conduct regular monitoring of workplaces with occupational hazards. Employees exposed to such hazards are subject to mandatory pre-employment, periodic, and pre-exit occupational health checks, with individual health records established and maintained.
- **Accident Recording and Handling:** We have established a robust system for recording and handling accidents.

Supply Chain Management

We have formulated a *Supplier Management Policy*. Potential and existing suppliers are evaluated through on-site audits and/or questionnaire surveys, with a focus on their environmental and social performance. We require all suppliers to sign an *Integrity Commitment Letter* to uphold business ethics. Internally, our procurement personnel are bound by the *Code of Conduct for Procurement Personnel*, which explicitly prohibits holding equity in supplier companies or accepting any form of personal benefit, thereby preventing commercial bribery.

LAND AND PROPERTIES

We own and lease certain properties in China primarily to be used for manufacturing bases, R&D and office premises, and warehouses. The Property Valuation Report from AVISTA Valuation Advisory Limited, an independent property valuer, set out in Appendix III of this document, sets out details of our selected property interests as of April 30, 2026. AVISTA Valuation Advisory Limited valued these property interests at an amount of RMB669.7 million as of April 30, 2026. Save as disclosed in this document, as of April 30, 2026, (i) no single property that forms part of property activities has a carrying amount of 1% or more of our total assets; and (ii) no single property interest that forms part of our non-property activities has a carrying amount of 15% or more of our total assets.

As of the Latest Practicable Date, we owned land use rights with respect to one parcel of land in Changshu with land use right certificate, with a total gross land area of approximately 40,059.0 square meters. We also owned one set of buildings in Changshu with building ownership certificate with an aggregate gross floor area of approximately 87,360.5 square meters. These buildings are primarily used for manufacturing, R&D, and operations.

As of the Latest Practicable Date, we leased eight properties in China with a total area of approximately 34,671.17 square meters, used for manufacturing, R&D, office premises and employee dormitory. The relevant lease agreements generally provide a duration of up to eight years. As of the Latest Practicable Date, the lease registration for all of these lease agreements had not been completed. For further details, see "Risk Factors — We are subject to risks associated with our leased properties."

AWARDS AND RECOGNITION

The table below sets forth the major awards and recognition we received as of the Latest Practicable Date:

Year of grant	Award/Recognition	Issuing authority
2025	2025 China Large-molecule CDMO Top 20 Ranking (2025中國大分子CDMO排名TOP20)	The 7th CMC — CHINA China Pharmaceutical Industry Expo (第七屆CMC — CHINA中國製藥工業博覽會)
2024	2024 Jiangsu Unicorn Enterprise (2024年江蘇獨角獸企業)	Jiangsu Provincial Department of Science and Technology (江蘇省科技局)
2024	Jiangsu Provincial Enterprise Technology Center (江蘇省企業技術中心)	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工信局)
2024	High and New Technology Enterprise (高新技術企業)	National Science and Technology Bureau (國家科技局)
2023	Specialized and Innovative "Little Giant" Enterprise (專精特新"小巨人"企業)	Ministry of Industry and Information Technology of the PRC (國家工業和資訊化部)

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Advisor has advised that, during the Track Record Period and up to the Latest Practicable Date, we have obtained all material licenses, permits and approvals from the relevant government authorities that are material for the business operations of our Group. The following table sets out a list of our material licenses, permits and approvals as of the Latest Practicable Date, with the grant/filing dates set forth below being the most recent dates on which the licenses, permits and approvals are renewed or obtained:

Licenses, permits and approvals	Issuing authority	Grant/filing date	Expiration date
Drug Manufacturing License	Jiangsu Provincial Medical Products Administration	February 16, 2026	December 5, 2030
Biosafety Laboratory Filing Certificate	Suzhou Municipal Health Commission	November 5, 2025	November 4, 2027
Biosafety Laboratory Filing Certificate	Suzhou Municipal Health Commission	November 25, 2025	November 24, 2027
Biosafety Laboratory Filing Certificate	Suzhou Municipal Health Commission	May 7, 2025	May 6, 2027
Pollutant Discharge Permit	Suzhou Municipal Ecology and Environment Bureau	September 30, 2025	September 29, 2030
Pollutant Discharge Permit	Suzhou Municipal Ecology and Environment Bureau	September 16, 2025	September 15, 2030
Pollutant Discharge Permit	Suzhou Municipal Ecology and Environment Bureau	December 8, 2023	December 7, 2028

LEGAL PROCEEDINGS AND COMPLIANCE

We may, from time to time, be subject to legal or administrative claims and proceedings arising from the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any actual or threatened legal or administrative proceedings that may have a material adverse effect on our business, financial condition or results of operations, and our Directors have not been involved in any such proceedings.

We are committed to maintaining the highest standards of regulatory compliance in accordance with applicable laws and regulations governing our business operations. During the Track Record Period and up to the Latest Practicable Date, we complied in all material respects with the relevant legal and regulatory requirements applicable to our operations.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the proposed **[REDACTED]** and **[REDACTED]**, we have adopted or will continue to adopt, among other things, the following risk management measures: establish an Audit Committee to review and supervise our financial reporting process and internal control system; adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations; and arrange for our Directors, senior management and employees to attend training sessions in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Internal Control

During the Track Record Period, we regularly reviewed and enhanced our internal control system. We have adopted various measures and procedures regarding each aspect of our business operations, such as manufacturing and R&D activities, related party transactions, risk management, anti-corruption, environmental protection and occupational health and safety.

We have engaged an independent internal control consultant to assess our internal control system in connection with the proposed **[REDACTED]**. The internal control consultant has conducted reviews on our internal control system in certain aspects, including financial reporting and disclosure controls, corporate-level controls, information system control management and other procedures for our operations. We have improved our internal control system by adopting and implementing the corresponding enhanced internal control measures as advised by the internal control consultant following the review. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures. After considering the remedial actions we have taken, our Directors are of the view that our internal control system is adequate and effective for our current operations. We plan to provide our Directors, senior management and relevant employees with regular training programs and updates on relevant laws and regulations to proactively identify and address potential non-compliance issues.

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purposes of this section, unless the context otherwise requires, references to the years of 2023, 2024 and 2025 refer to the years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading manufacturing-driven full-lifecycle CDMO in China dedicated to biologics. We ranked second among biologics CDMO companies in China by the number of commercial products in 2025 and ranked third among biologics CDMOs in the field of therapeutic antibody drugs in China by revenue in 2025, according to Frost & Sullivan. We mainly provide CDMO solutions for biologics development and manufacturing, namely (i) process development, (ii) analytical development and validation, (iii) GMP manufacturing, (iv) quality management, and (v) regulatory affairs and CMC support.

We have built an extensive project portfolio and stable customer relationships with customers from major markets such as China, the United States and Europe. As of the Latest Practicable Date, we had provided CDMO services for over 400 projects, covering over 200 drugs and drug candidates, for over 200 customers, including three approved drugs and more than 20 late-stage development projects. We had 18, 16 and 14 major projects with a contract value of not less than RMB8.0 million in 2023, 2024 and 2025, respectively. The total revenue contribution of the major projects was RMB354.5 million, RMB335.2 million and RMB352.8 million in 2023, 2024 and 2025, respectively, accounting for 77.9%, 77.4%, and 72.9% of our total revenue during the same year, respectively.

During the Track Record Period, we generated revenue primarily from CDMO services. Our revenue increased from RMB455.0 million in 2023 to RMB484.2 million in 2025. Our gross loss narrowed over the Track Record Period from RMB33.8 million in 2023 to RMB18.7 million in 2025, with our gross loss margin improving from 7.4% to 3.9% during the same period.

BASIS OF PREPARATION

We have prepared our historical financial information based on the accounting policies set out in Note 2 to the Accountants' Report included in Appendix I to this document, which conform with IFRS Accounting Standards.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including the following:

Growth of the Biologics CDMO Market and Outsourcing Penetration

Our business and results of operations are driven by demand for outsourced development and manufacturing services for large-molecule biologics, which in turn depends on the continued growth of the biologics market and the increasing outsourcing needs of biotechnology and pharmaceutical companies. According to Frost & Sullivan, the biologics CDMO market in China and globally has continued to expand, driven by the increasing number of biologics drug candidates in development, the growing complexity of manufacturing processes, rising regulatory requirements and increasing demand for cost-efficient and reliable outsourcing partners.

As a biologics-focused CDMO with integrated capabilities spanning process development, analytical development and validation, clinical manufacturing and quality management, we have benefited from these industry trends. We believe our results of operations will continue to be affected by overall market growth of the biologics market, outsourcing penetration rates and customers' budget allocation to external service providers.

Growth in Our Project Portfolio and Customer Base

Our business and results of operations depend on our ability to obtain new projects from existing customers and to expand our customer base. Maintaining a robust project portfolio is critical to our long-term growth, as our revenue visibility and future commercial opportunities are closely linked to the number, stage and quality of our ongoing projects. As projects advance into late-stage clinical development and commercialization, the typical contract value and revenue contribution per project increase significantly, and our revenue visibility improves as these projects involve larger-scale, longer-duration manufacturing campaigns with milestone-based billing structures.

Our ability to secure new projects and customers is affected by a number of factors, including our technical capabilities, quality management and regulatory compliance track record, manufacturing capacity, project execution capability, pricing and market reputation. During the Track Record Period, we continued to expand our project portfolio and customer base. In 2023, 2024 and 2025, we had 122, 163 and 197 projects, respectively. As of the Latest Practicable Date, we had provided CDMO services for over 400 projects, covering over 200 drugs and drug candidates, for over 200 customers, including three approved drugs and more than 20 late-stage development projects. In addition, revenue from our five largest customers accounted for 49.3%, 40.5% and 55.8% of our total revenue in 2023, 2024 and 2025, respectively.

Our future results of operations will therefore be affected by our ability to continue attracting new customers, deepening cooperation with existing customers, increasing repeat business, and converting early-stage and clinical-stage projects into later-stage and commercial manufacturing opportunities.

Success, Progression and Service Mix of Our Projects

Our financial performance is significantly affected by the success of customers' drug candidates as they progress through the development lifecycle and by the mix of services we provide across our projects. We generally enter into fee-for-service arrangements under which the scope, pricing, duration and timing of revenue recognition vary from project to project. As a result, our revenue in any particular period depends on the number of projects undertaken, the development stages reached, the volume and type of services required, and the timing of customer acceptance, delivery or the achievement of other contractual milestones.

Projects at different stages generally have different revenue scales, cost structures and margin profiles. Early-stage development projects typically involve smaller contract values and shorter execution periods, while late-stage development projects and commercialization projects often involve larger order volumes, longer execution periods, more complex quality and regulatory requirements, and potentially greater revenue contribution. During the Track Record Period, we had 10, 16 and 24 late-stage development projects in 2023, 2024 and 2025, respectively, and commercialization projects increased from one in 2023 to two in 2025.

As more projects advance into late-stage clinical development and commercialization, we expect the typical contract value and revenue contribution per project to generally increase. In particular, commercialization projects generally involve larger order quantities, higher demand visibility, more recurring production schedules and, in many cases, more favorable margin profiles than development-stage projects. Once a product enters commercial supply, production planning is typically more predictable, which facilitates more efficient capacity allocation and stronger absorption of fixed costs. During the Track Record Period, we had one, one and two commercialization projects in 2023, 2024 and 2025, respectively. The relatively limited number of commercialization projects in 2023 and 2024 constrained the contribution of recurring, higher-volume commercial revenue to our overall revenue mix and cost absorption. In 2025, as the number of commercialization projects increased, our capacity utilization and gross loss improved accordingly.

At the same time, project delays, suspensions, terminations, changes in regulatory timing or customer demand may affect our service schedule and therefore our revenue recognition in a given period. Accordingly, changes in the stage composition and service mix of our project portfolio may materially affect our results of operations and period-to-period comparability.

Utilization of Our Manufacturing Capacity and Production Scheduling Efficiency

Our profitability is affected by the utilization of our manufacturing facilities and manufacturing lines. We have made substantial investments in manufacturing infrastructure, quality systems and technical personnel to support our long-term growth. As a result, our cost structure includes a significant fixed-cost component, including depreciation, facility-related operating costs, quality-related expenses and personnel costs. The extent to which these fixed costs can be absorbed depends substantially on our capacity utilization and production scheduling efficiency.

During the Track Record Period, the utilization rates of certain of our manufacturing lines were affected by project stage mix, campaign scheduling and, in 2024, the temporary suspension of manufacturing operations at one of our production sites. During such periods of lower-than-normal utilization, a significant portion of our fixed manufacturing overhead, including depreciation, facility maintenance, utilities and quality system operating costs, could not be absorbed through normal inventory costing and was charged directly to cost of sales, adversely affecting our gross loss margin.

Our future results of operations will therefore depend in part on our ability to improve production capacity utilization, optimize campaign planning, reduce idle time and increase scheduling flexibility, particularly as more of our late-stage projects transition into recurring and stable commercial supply.

Pricing Strategy and Competitive Landscape

Pricing is an important factor affecting our revenue and profitability. We generally determine pricing under our fee-for-service model through a two-step quotation process. First, we estimate project costs, which primarily include labor, materials and outsourcing costs. We then determine the quoted price with reference to market conditions, including customer type, project complexity, competitors' pricing, the commercial potential of the underlying product, regulatory requirements and our market positioning, while generally ensuring that the quoted price exceeds our internal cost threshold.

Our ability to maintain or improve pricing depends on a number of factors, including market demand, competitive intensity, service quality, delivery record, regulatory compliance, customer relationship and available capacity. Increased pricing pressure from existing or new competitors, particularly in a softer market environment or for earlier-stage projects, may adversely affect our revenue growth and margins. Conversely, our differentiated platform technologies, quality track record and late-stage and commercial manufacturing capabilities may support more favorable pricing for certain project categories.

Cost Management and Changes in Cost Structure

Our ability to effectively manage costs directly affects our profitability. Our cost of sales primarily consists of direct labor costs, raw material and consumables costs, manufacturing overhead, outsourcing expenses, depreciation and quality-related operating costs. Our operating expenses primarily consist of research and development expenses, administrative expenses and selling expenses.

Our cost structure is influenced by a number of factors, including the procurement or production costs of key raw materials, outsourcing needs, facility expansion, depreciation of equipment, quality system maintenance and R&D investment. During the Track Record Period, we incurred significant fixed costs in connection with our manufacturing capacity expansion, technical platform development and quality system operations. To the extent that our revenue growth or project progression does not keep pace with the increase in such costs, our margins and profitability may be adversely affected.

In addition, certain key raw materials and consumables used in biologics development and manufacturing may be subject to fluctuations in both market availability and pricing. Our ability to localize procurement, improve process efficiency and optimize supply chain management may therefore affect our future cost profile and results of operations.

MATERIAL ACCOUNTING POLICY INFORMATION

The preparation of the historical financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The areas involving a higher degree of judgment or complexity include: (i) revenue recognition, particularly the identification of performance obligations and determination of the timing of revenue recognition for CDMO contracts with milestone-based billing arrangements; (ii) provision of ECL for trade receivables and contract assets; (iii) estimated impairment of property, plant and equipment, intangible assets and right-of-use assets; and (iv) recognition and measurement of deferred tax assets. Actual results may differ from these estimates.

Details of our material accounting policies, estimates and accounting judgements, which are important for understanding our financial condition and operating results, are set forth in Note 4 to the Accountants' Report included in Appendix I to this document.

DESCRIPTION OF SELECTED ITEMS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth selected items of our consolidated statements of profit or loss in absolute amounts and as a percentage of our total revenue for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	454,983	100.0	433,304	100.0	484,170	100.0
Cost of sales	(488,811)	(107.4)	(498,574)	(115.1)	(502,852)	(103.9)
Gross loss	**(33,828)**	**(7.4)**	**(65,270)**	**(15.1)**	**(18,682)**	**(3.9)**
Other income	12,908	2.8	8,803	2.0	19,558	4.0
Other gains and losses, net	2,708	0.6	2,921	0.7	30,169	6.2
Research and development expenses	(57,859)	(12.7)	(37,102)	(8.6)	(45,915)	(9.5)
Administrative expenses	(57,439)	(12.6)	(36,086)	(8.3)	(35,462)	(7.3)
Selling expenses	(13,534)	(3.0)	(12,689)	(2.9)	(15,476)	(3.2)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items	(8,276)	(1.8)	(10,804)	(2.5)	(9,928)	(2.1)
Finance costs	(110,624)	(24.3)	(139,105)	(32.1)	(139,722)	(28.9)
Share of results of an associate	—	—	*	0.0	*	0.0
Gain (loss) on disposal of a subsidiary	95,797	21.1	(3,803)	(0.9)	—	—
Loss before tax	(170,147)	(37.3)	(293,135)	(67.7)	(215,458)	(44.7)
Income tax credit	2,335	0.5	2,256	0.5	—	—
Loss and total comprehensive expense for the year	**(167,812)**	**(36.8)**	**(290,879)**	**(67.2)**	**(215,458)**	**(44.7)**

* Less than RMB1,000

Non-IFRS Measures

Our consolidated financial information was prepared in accordance with IFRS Accounting Standards. To supplement our consolidated results which were prepared and presented in accordance with IFRS Accounting Standards, we use adjusted net loss and EBITDA as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards.

We believe that these measures facilitate comparisons of operating performance from period to period by eliminating the potential impact of certain items. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS Accounting Standards. In addition, these non-IFRS measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net loss as loss for the year adjusted by adding back interest on redemption liabilities. Interest on redemption liabilities represented finance costs recognized in relation to redemption liabilities arising from investments from investors with preferred rights. Such redemption liabilities were measured at amortized cost using the effective interest method, and the related interest expenses were recognized as finance costs.

The following table sets forth a reconciliation of our adjusted net loss for 2023, 2024 and 2025.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	**(167,812)**	**(290,879)**	**(215,458)**
Add			
Interest on redemption liabilities	69,940	90,847	98,480
Adjusted net loss	**(97,872)**	**(200,032)**	**(116,978)**

We define EBITDA as loss for the year adjusted for income tax credit, finance costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets, in each case to the extent recognized in profit or loss. During the Track Record Period, we did not recognize any **[REDACTED]** or share-based payment compensation, and accordingly no further adjustment was made to EBITDA.

The following table sets forth a reconciliation of our EBITDA for 2023, 2024 and 2025.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	**(167,812)**	**(290,879)**	**(215,458)**
Add			
Income tax credit	(2,335)	(2,256)	—
Finance costs	110,624	139,105	139,722
Depreciation and amortization expenses recognized in profit or loss	100,048	132,278	123,329
EBITDA	**40,525**	**(21,752)**	**47,593**

Revenue

During the Track Record Period, we generated substantially all our revenue from CDMO services. The following table sets forth a breakdown of our revenue by business segment, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	Year Ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
CDMO services	419,114	92.1	424,701	98.0	481,862	99.5
Others[(1)]	35,869	7.9	8,603	2.0	2,308	0.5
Total	**454,983**	**100.0**	**433,304**	**100.0**	**484,170**	**100.0**

Note:

(1) Other revenue was primarily generated from the sales of biologics supplies.

Revenue by Project Development Stage

During the Track Record Period, we generated revenue from projects at different development stages, which can be categorized into (i) pre-Investigational New Drug (Pre-IND) projects, and (ii) post-Investigational New Drug (Post-IND) projects, primarily covering clinical, BLA and commercialization stage projects. The following table sets forth a breakdown of our revenue by stage for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Pre-IND	**224,281**	**49.3**	**200,913**	**46.4**	**116,552**	**24.1**
Post-IND						
Early-stage development (Phase I & II)	96,157	21.1	57,646	13.3	113,519	23.4
Late-stage development (Phase III & BLA)	98,676	21.7	166,142	38.3	176,708	36.5
Commercialization	—	—	—	—	75,083	15.5
Others	**35,869**	**7.9**	**8,603**	**2.0**	**2,308**	**0.5**
Total	**454,983**	**100.0**	**433,304**	**100.0**	**484,170**	**100.0**

Cost of Sales

Our cost of sales primarily consists of: (i) production costs and overheads; (ii) labor costs, including salaries, bonuses and social security expenses for our staff; (iii) cost of raw materials; (iv) depreciation of property, plant and equipment and amortization of intangible assets and software; and (v) other costs that primarily comprise logistics and insurance fees.

The following table sets forth the breakdown of our cost of sales by nature, in absolute amounts and as a percentage of our total cost of sales, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Indirect production costs and overheads	138,216	28.3	115,237	23.1	110,216	21.9
Direct labor costs	58,992	12.1	70,974	14.2	72,681	14.5
Cost of raw materials	176,099	36.0	146,947	29.5	173,172	34.4
Depreciation and amortization	86,913	17.8	106,334	21.3	108,054	21.5
Others	28,591	5.8	59,082	11.9	38,729	7.7
Total	**488,811**	**100.0**	**498,574**	**100.0**	**502,852**	**100.0**

Gross Loss and Gross Loss Margin

Our gross loss was RMB33.8 million, RMB65.3 million and RMB18.7 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing a gross loss margin of 7.4%, 15.1% and 3.9% for the respective periods. The increase in gross loss margin in 2024 was primarily due to a decrease in revenue, while the improvement in 2025 reflected increased revenue contribution during the year.

Other Income

Other income primarily comprises: (i) government grants; (ii) interest income on consideration receivables; and (iii) interest income on bank balances and restricted bank deposits.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Government grants[1]	8,985	69.6	2,228	25.3	14,939	76.4
Interest income on consideration receivables	—	—	2,588	29.4	2,550	13.0
Interest income on bank balances and restricted bank deposits	2,707	21.0	3,653	41.5	2,069	10.6
Others	1,216	9.4	334	3.8	—	—
Total	**12,908**	**100.0**	**8,803**	**100.0**	**19,558**	**100.0**

Note:

1. Government grants primarily represent subsidies received from PRC governmental authorities pursuant to investment promotion agreements with no unfulfilled conditions or contingencies attached.

Other Gains and Losses, Net

Our net other gains and losses primarily include fair value gains on financial assets at FVTPL, net foreign exchange gain or loss, and gains or losses on disposal of property, plant and equipment. We recorded net other gains of RMB2.7 million, RMB2.9 million and RMB30.2 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Research and Development Expenses

Our research and development expenses primarily consist of: (i) labor costs, including salaries, bonuses and social security expenses for our R&D personnel; (ii) material costs, primarily comprising consumables and reagents used in process and technology development; (iii) depreciation and amortization, comprising depreciation of R&D-related equipment and facilities and amortization of relevant intangible assets and software; and (iv) licensing fee.

The table below sets forth a breakdown of our research and development expenses, in absolute amounts and as a percentage of our total research and development expenses, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labor costs	15,781	27.3	16,491	44.4	21,972	47.8
Material costs	15,251	26.4	15,788	42.6	14,647	31.9
Depreciation and amortization	2,796	4.8	2,876	7.8	5,636	12.3
Licensing fee[1]	18,869	32.6	—	—	—	—
Others[2]	5,162	8.9	1,947	5.2	3,660	8.0
Total	**57,859**	**100.0**	**37,102**	**100.0**	**45,915**	**100.0**

Notes:

1. Mainly comprise non-recurring fees incurred for the in-licensing of conjugation technology.

2. Others primarily consist of maintenance, testing and miscellaneous fees.

Administrative Expenses

Our administrative expenses primarily consist of: (i) labor costs, including salaries, bonuses and social security expenses for our administrative personnel; (ii) depreciation and amortization of facilities for administrative use; (iii) professional service fees for legal, consulting and auditing services and subsidiary setup fees; (iv) traveling expenses incurred by our staff.

The following table sets forth the breakdown of our administrative expenses, in absolute amounts and as a percentage of our total administrative expenses, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labor costs	20,579	35.8	18,396	51.0	18,688	52.7
Depreciation and amortization	7,044	12.3	5,736	15.9	5,955	16.8
Professional service fees and subsidiary setup fees	24,462	42.6	5,825	16.1	5,264	14.9
Traveling expenses	479	0.8	619	1.7	411	1.2
Others	4,875	8.5	5,510	15.3	5,144	14.4
Total	**57,439**	**100.0**	**36,086**	**100.0**	**35,462**	**100.0**

Selling Expenses

Our selling expenses primarily consist of: (i) labor costs for business development and marketing personnel, including salaries, bonuses, social security contributions and other benefits; (ii) marketing and business development expenses incurred for promotional materials and client engagement activities; (iii) office, logistics and travel-related expenses related to client visits and business development activities; and (iv) depreciation and amortization.

The following table sets forth the breakdown of our selling expenses, in absolute amounts and as a percentage of our total selling expenses, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labor costs	6,707	49.6	7,247	57.1	9,771	63.1
Marketing and business development expenses	5,060	37.4	4,130	32.5	4,330	28.0
Office, logistics and travel-related expenses	565	4.2	524	4.1	558	3.6
Depreciation and amortization	128	0.9	261	2.1	156	1.0
Others	1,074	7.9	527	4.2	661	4.3
Total	**13,534**	**100.0**	**12,689**	**100.0**	**15,476**	**100.0**

Impairment Losses (including Reversals of Impairment Losses or Impairment Gains) on Financial Assets and Other Items

Our impairment losses on financial assets and other items primarily represent expected credit losses recognized on trade receivables and contract assets arising from our service

provision. Such impairment losses amounted to RMB8.3 million, RMB10.8 million and RMB9.9 million in 2023, 2024 and 2025, respectively.

Finance Costs

The following table sets forth a breakdown of our finance costs, in absolute amounts and as a percentage of our total finance costs, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Interest on redemption liabilities	69,940	63.3	90,847	65.3	98,480	70.5
Interest on borrowings	44,266	40.0	46,408	33.4	39,983	28.6
Interest on lease liabilities	2,795	2.5	1,850	1.3	1,259	0.9
	117,001	105.8	139,105	100.0	139,722	100.0
Less: capitalized in property, plant and equipment	(6,377)	(5.8)	—	—	—	—
Total	**110,624**	**100.0**	**139,105**	**100.0**	**139,722**	**100.0**

Share of Results of an Associate

We recorded share of results of an associate of nil in 2023, and less than RMB1,000 in each of 2024 and 2025, primarily as a result of our share of profit or loss of Quzhou Intellective Kaitu Biotechnology Co., Ltd. ("**Quzhou Intellective**"), the financial impact of which was insignificant during the Track Record Period.

Gain (Loss) on Disposal of a Subsidiary

During the Track Record Period, our gain or loss on disposal of a subsidiary mainly represented: (i) a gain of RMB95.8 million recognized in 2023 in connection with the disposal of Changshu Yudeyang in December 2023; and (ii) a loss of RMB3.8 million recognized in 2024 in connection with the disposal of Xiangcheng Yudeyang in September 2024.

Income Tax Credits

We recorded income tax credits of RMB2.3 million, RMB2.3 million and nil in 2023, 2024 and 2025, respectively. We were accredited as a "High and New Technology Enterprise" by the relevant authorities on November 30, 2024. As a result, we are eligible for a preferential enterprise income tax (EIT) rate of 15% for a three-year period commencing from the year of accreditation, subject to compliance with applicable conditions and ongoing requirements. Accordingly, the applicable EIT rate for us was 15% during the Track Record Period. As of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our subsidiaries are incorporated and operate. Our principal applicable taxes and tax rates are set forth as follows:

PRC. Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain subsidiaries, other subsidiaries within our Group operating in the PRC are subject to the EIT Law at the statutory rate of 25.0% during the Track Record Period.

Hong Kong. Our subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HK$2,000,000 and 16.5% on any part of assessable profits over HK$2,000,000 during the Track Record Period.

Loss and Total Comprehensive Expense for the Year

As a result of the foregoing, we recorded loss and total comprehensive expense for the year of RMB167.8 million, RMB290.9 million and RMB215.5 million in 2023, 2024 and 2025, respectively.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 11.7% from RMB433.3 million in 2024 to RMB484.2 million in 2025. This increase was primarily due to (i) the growing demand for our CDMO services, particularly late-stage clinical development services; and (ii) the increase in commercial manufacturing revenue as certain ongoing projects advanced to commercial supply stage.

CDMO Services

Our revenue from CDMO services increased by 13.5% from RMB424.7 million in 2024 to RMB481.9 million in 2025, primarily due to (i) the advancement of certain projects into later development stages, as evidenced by the increase of Post-IND projects, which generally involve broader work scopes and higher contract values thereby contributing to the overall increase in revenue; and (ii) the increase in commercial manufacturing revenue as the number of commercialization projects increased.

Others

Revenue from others, which mainly represents sales of other biologics supplies, decreased by 73.3% from RMB8.6 million in 2024 to RMB2.3 million in 2025, reflecting the project-driven nature of such sales.

Cost of Sales

Our cost of sales remained relatively stable at RMB498.6 million in 2024 and RMB502.9 million in 2025.

Gross Loss and Gross Loss Margin

Our gross loss narrowed by RMB46.6 million from RMB65.3 million in 2024 to RMB18.7 million in 2025, and our gross loss margin narrowed from 15.1% in 2024 to 3.9% in 2025, primarily attributable to the increase in revenue of RMB50.9 million during the same period.

Other Income

Our other income increased by 122.7% from RMB8.8 million in 2024 to RMB19.6 million in 2025, primarily due to an increase in government grants received from RMB2.2 million in 2024 to RMB14.9 million in 2025.

Other Gains and Losses, Net

Our net other gains increased by 941.4% from RMB2.9 million in 2024 to RMB30.2 million in 2025, primarily attributable to gain on fair value changes of financial assets at FVTPL, mainly relating to fair value appreciation of our equity investments, and gain recognized on termination of leases, partially offset by losses on disposal of property, plant and equipment and net foreign exchange losses.

Research and Development Expenses

Our research and development expenses increased by 23.7% from RMB37.1 million in 2024 to RMB45.9 million in 2025, primarily due to increases in labor costs and depreciation and amortization expenses associated with our research and development activities, partially offset by a decrease in material costs.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB36.1 million in 2024 and RMB35.5 million in 2025.

Selling Expenses

Our selling expenses increased by 22.0% from RMB12.7 million in 2024 to RMB15.5 million in 2025, primarily due to an increase in labor costs for our sales personnel.

Impairment Losses (including Reversals of Impairment Losses or Impairment Gains) on Financial Assets and Other Items

Our impairment losses on financial assets and other items decreased by 8.3% from RMB10.8 million in 2024 to RMB9.9 million in 2025, primarily due to increased collections of long-aged trade receivables and contract assets.

Finance Costs

Our finance costs remained relatively stable at RMB139.1 million in 2024 and RMB139.7 million in 2025.

Loss on Disposal of a Subsidiary

We recorded a loss on disposal of a subsidiary of RMB3.8 million in 2024 in connection with the full disposal of our equity interest in Xiangcheng Yudeyang in September 2024, while no gain or loss on disposal of a subsidiary was recognized in 2025.

Income Tax Credits

We recognized income tax credits of RMB2.3 million in 2024, primarily representing deferred tax credits arising from the recognition of deferred tax assets on deductible temporary differences. No income tax credit was recognized in 2025, as no additional deferred tax assets were recognized during the year.

Loss and Total Comprehensive Expense for the Year

As a result of the foregoing, our loss and total comprehensive expense for the year decreased by 25.9% from RMB290.9 million in 2024 to RMB215.5 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue decreased by 4.8% from RMB455.0 million in 2023 to RMB433.3 million in 2024, primarily due to decreases in revenue from both CDMO services and others.

CDMO Services

Revenue from CDMO services increased from RMB419.1 million in 2023 to RMB424.7 million in 2024, which was in line with our business growth.

Others

Revenue from others decreased from RMB35.9 million in 2023 to RMB8.6 million in 2024, reflecting the project-driven nature of such business.

Cost of Sales

Our cost of sales remained relatively stable at RMB488.8 million in 2023 and RMB498.6 million in 2024.

Gross Loss and Gross Loss Margin

Our gross loss increased from RMB33.8 million in 2023 to RMB65.3 million in 2024, and our gross loss margin increased from 7.4% to 15.1%, primarily due to the decrease in revenue during the same period.

Other Income

Our other income decreased by 31.8% from RMB12.9 million in 2023 to RMB8.8 million in 2024, primarily due to a decrease in government grants, partially offset by the recognition of interest income on deferred receivables.

Other Gains and Losses, Net

Our net other gains remained relatively stable at RMB2.7 million in 2023 and RMB2.9 million in 2024.

Research and Development Expenses

Our research and development expenses decreased by 35.9% from RMB57.9 million in 2023 to RMB37.1 million in 2024, primarily due to the recognition of a non-recurring licensing fee in 2023.

Administrative Expenses

Our administrative expenses decreased by 37.1% from RMB57.4 million in 2023 to RMB36.1 million in 2024, primarily due to decreases in professional service fees and staff headcount following the disposal of a subsidiary.

Selling Expenses

Our selling expenses decreased by 5.9% from RMB13.5 million in 2023 to RMB12.7 million in 2024, primarily due to decreases in marketing and business development expenses and other selling expenses, resulting from reduced marketing activities.

Impairment Losses (including Reversals of Impairment Losses or Impairment Gains) on Financial Assets and Other Items

Our impairment losses on financial assets and other items increased by 30.1% from RMB8.3 million in 2023 to RMB10.8 million in 2024, primarily due to slower collections of trade receivables and contract assets.

Finance Costs

Our finance costs increased by 25.8% from RMB110.6 million in 2023 to RMB139.1 million in 2024, primarily due to an increase in interest on redemption liabilities following capital contributions from investors with preferred rights in 2024.

Gain (Loss) on Disposal of a Subsidiary

We recorded a loss on disposal of a subsidiary of RMB3.8 million in 2024, in connection with the disposal of Xiangcheng Yudeyang in September 2024, compared to a gain on disposal of a subsidiary of RMB95.8 million in 2023, in connection with the disposal of Changshu Yudeyang in December 2023.

Income Tax Credits

We recorded income tax credits of RMB2.3 million in 2023 and RMB2.3 million in 2024, respectively.

Loss and Total Comprehensive Expense for the Year

As a result of the foregoing, our loss and total comprehensive expense for the year increased by 73.4% from RMB167.8 million in 2023 to RMB290.9 million in 2024.

DISCUSSION OF SELECTED ITEMS OF OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	1,592,526	1,654,590	1,641,857
Total current assets	880,428	1,164,104	1,360,559
Total assets	**2,472,954**	**2,818,694**	**3,002,416**
Total non-current liabilities	643,168	986,176	1,168,719
Total current liabilities	2,097,277	2,390,888	2,602,569
Total liabilities	**2,740,445**	**3,377,064**	**3,771,288**
Net liabilities	**(267,491)**	**(558,370)**	**(768,872)**
Capital and reserves			
Paid-in capital	24,363	26,125	31,081
Reserves	(291,854)	(584,495)	(799,953)
Total deficit	**(267,491)**	**(558,370)**	**(768,872)**

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Trade receivables	162,982	217,413	232,113	178,983
Prepayments and other receivables	124,430	158,468	137,747	160,143
Inventories	97,491	122,109	132,830	188,115
Contract assets	59,119	117,417	151,709	149,139
Contract costs	112,246	57,923	94,504	120,577
Financial assets at fair value through profit or loss ("**FVTPL**")	55,042	103,225	52,707	245,203
Restricted bank deposits	—	145,540	2,177	2,177
Cash and cash equivalents	269,118	242,009	556,772	344,039
Total current assets	**880,428**	**1,164,104**	**1,360,559**	**1,388,376**
Current liabilities				
Trade and other payables	426,454	298,280	309,243	332,190
Contract liabilities	113,122	105,936	193,177	244,026
Borrowings	518,893	521,159	538,137	514,183
Redemption liabilities	1,028,229	1,454,076	1,552,556	1,585,383
Lease liabilities	9,630	9,488	7,507	9,915
Deferred income	949	1,949	1,949	1,949
Total current liabilities	**2,097,277**	**2,390,888**	**2,602,569**	**2,687,646**
Net current liabilities	**(1,216,849)**	**(1,226,784)**	**(1,242,010)**	**(1,299,270)**

Our net current liabilities increased from RMB1,242.0 million as of December 31, 2025 to RMB1,299.3 million as of April 30, 2026, primarily due to increases in redemption liabilities of RMB32.8 million and contract liabilities of RMB50.8 million, partially offset by an increase in inventories of RMB55.3 million.

Our net current liabilities increased from RMB1,226.8 million as of December 31, 2024 to RMB1,242.0 million as of December 31, 2025, primarily due to an increase in redemption liabilities of RMB98.5 million, an increase in contract liabilities of RMB87.2 million, and a decrease in restricted bank deposits of RMB143.4 million, partially offset by an increase in cash and cash equivalents of RMB314.8 million.

Our net current liabilities remained relatively stable at RMB1,216.8 million as of December 31, 2023 and RMB1,226.8 million as of December 31, 2024. The slight increase was primarily due to an increase in redemption liabilities of RMB425.8 million, partially offset by an increase in restricted bank deposits of RMB145.5 million, an increase in trade receivables of RMB54.4 million and an increase in financial assets at FVTPL of RMB48.2 million.

Trade Receivables

Our trade receivables represent the outstanding amounts due to us for the CDMO services that we provided to our customers.

The following table sets forth a breakdown of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from third parties	169,996	223,289	253,860
Less: allowance for credit losses	(9,835)	(17,163)	(26,681)
Notes receivables	2,821	11,287	4,934
Total	**162,982**	**217,413**	**232,113**

Our trade receivables increased from RMB163.0 million as of December 31, 2023 to RMB217.4 million as of December 31, 2024, primarily due to slower collections of trade receivables and contract assets.

Our trade receivables further increased to RMB232.1 million as of December 31, 2025, primarily due to the continued advancement of ongoing CDMO projects and related billings to customers, partially offset by improved collection of certain receivables and a decrease in notes receivables.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 30 days	39,418	59,444	83,086
31 to 90 days	38,857	1,889	4,561
91 to 180 days	25,030	7,657	14,589
181 to 365 days	24,489	24,408	17,556
Over 365 days	32,367	112,728	107,387
Total	**160,161**	**206,126**	**227,179**

We generally grant our customers credit terms ranging from 30 to 90 days from the date of invoice. The outstanding balances of our trade receivables are non-interest-bearing. We maintain strict credit control policies and procedures to minimize credit risk. Before accepting any new customer, we assess its credit quality and establish a credit limit for that customer. Overdue balances are reviewed regularly by our senior management.

The following table sets forth turnover days of our trade receivables for the years indicated.

	Year Ended December 31,		
	2023	2024	2025
		(days)	
Trade receivables turnover days*	93.0	160.2	169.4

Note:

* Trade receivables turnover days for each year is calculated as the average balance of trade receivables, derived from the beginning and ending balances of trade receivables for the year, divided by the revenue for the same corresponding year, and then multiplied by 365 days in that year.

Our trade receivables turnover days were 93.0 days, 160.2 days and 169.4 days in 2023, 2024 and 2025, respectively. The increases were primarily attributable to (i) the slower settlement by certain customers of trade receivables that had been outstanding for a prolonged period, and (ii) a change in our revenue mix toward later-stage projects, which generally involve larger contract values and correspondingly longer payment cycles.

As of April 30, 2026, RMB136.6 million, or 53.8%, of our trade receivables as of December 31, 2025 had been subsequently settled.

Prepayments and Other Receivables

Our prepayments and other receivables primarily comprise: (i) prepayments for the purchase of materials and services; (ii) prepayments for the purchase of property, plant and equipment; (iii) VAT recoverable; (iv) consideration receivables arising from the disposal of Changshu Yudeyang in December 2023; (v) rental deposits; and (vi) other receivables.

Our prepayments and other receivables increased from RMB124.4 million as of December 31, 2023 to RMB158.5 million as of December 31, 2024, primarily due to increases in prepayments for purchase of materials and services and VAT recoverable, partially offset by decreases in prepayments for purchase of property, plant and equipment and consideration receivables.

Our prepayments and other receivables decreased from RMB158.5 million as of December 31, 2024 to RMB137.7 million as of December 31, 2025, primarily due to decreases in VAT recoverable and consideration receivables, partially offset by increases in prepayments for purchase of materials and services and prepayments for purchase of property, plant and equipment.

Inventories

Our inventories comprise: (i) raw materials and consumables used for our CDMO projects; (ii) work in progress; and (iii) finished goods.

The following table sets forth a summary of the balances of our inventories as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	75,803	68,032	85,129
Work in progress	2,978	21,945	20,766
Finished goods	26,186	41,530	39,536
	104,967	131,507	145,431
Less: write-down of inventories	(7,476)	(9,398)	(12,601)
Total	**97,491**	**122,109**	**132,830**

Our inventories increased from RMB97.5 million as of December 31, 2023 to RMB122.1 million as of December 31, 2024, primarily due to increases in work in progress and finished goods, reflecting the advancement of certain ongoing CDMO projects. Our inventories further increased to RMB132.8 million as of December 31, 2025, primarily due to an increase in raw materials and consumables that were procured to support our ongoing and planned CDMO projects.

We maintain inventory management policies and conduct regular physical inventory counts. We also monitor the shelf life and condition of our inventories and make write-downs where appropriate. We recorded write-down of inventories of RMB7.5 million, RMB9.4 million and RMB12.6 million in 2023, 2024 and 2025, respectively.

The following table sets forth turnover days of our inventories for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
Inventory turnover days*	109.4	80.4	92.5

Note:

* Inventory turnover days for each year is calculated as the average inventory balance, derived from the beginning and ending inventory balances of the year, divided by the cost of sales for the same corresponding year, and then multiplied by 365 days in that year.

Our inventory turnover days decreased from 109.4 in 2023 to 80.4 in 2024, primarily attributable to the consumption of advance procurement of raw materials. Our inventory turnover days increased from 80.4 in 2024 to 92.5 in 2025, primarily attributable to advance procurement of raw materials for large-scale commercial campaigns scheduled for early 2026.

As of April 30, 2026, RMB84.4 million, or 63.6%, of our inventories as of December 31, 2025 had been subsequently utilized or sold.

Contract Assets

A contract asset represents our right to consideration in exchange for goods or services transferred to a customer. If we transfer goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration subject to conditions.

Our contract assets increased from RMB59.1 million as of December 31, 2023 to RMB117.4 million as of December 31, 2024, primarily due to longer turn-over periods. Our contract assets further increased from RMB117.4 million as of December 31, 2024 to RMB151.7 million as of December 31, 2025, primarily due to the increase in revenue recognized for certain ongoing CDMO projects for which the relevant billing milestones had not yet been reached as of the respective years.

Contract Costs

Our contract costs primarily represented costs incurred to fulfil our service contracts, mainly including staff costs and material costs. Our current contract costs primarily represented fulfilment costs expected to be recognized in cost of sales within one year based on the progress and expected completion schedule of the relevant contracts. The non-current contract costs represented fulfilment costs expected to be recognized in cost of sales after more than one year.

Our contract costs decreased from RMB148.9 million as of December 31, 2023 to RMB97.2 million as of December 31, 2024, primarily due to the recognition of certain fulfilment costs in cost of sales as the relevant contracts progressed or were completed during the year. Our contract costs increased to RMB132.0 million as of December 31, 2025, primarily due to the increase in fulfilment costs incurred for ongoing contracts as of year-end.

Financial Assets at FVTPL

Our financial assets at FVTPL mainly consist of (i) equity securities; and (ii) structured deposits with variable returns.

The following table sets forth a breakdown of our financial assets at FVTPL as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity securities	—	23,000	52,705
Structured deposits	55,042	80,225	2
Total	**55,042**	**103,225**	**52,707**

Our financial assets at FVTPL increased from RMB55.0 million as of December 31, 2023 to RMB103.2 million as of December 31, 2024, primarily due to the additional purchases of structured deposits during the year. Our financial assets at FVTPL decreased to RMB52.7 million as of December 31, 2025, primarily attributable to the redemption of substantially all of our structured deposits during the year, offset by the fair value gain on our equity securities.

To monitor and control the risks associated with our financial assets, we have adopted a comprehensive internal policies and guidelines. Our capital management department is responsible for proposing, analyzing and evaluating potential investments. Our cash management strategy focuses on minimizing the financial risks. We make investment decisions considering a number of factors, including macro-economic environment, general market conditions, risk profile and credit rating of issuing banks, our own working capital conditions, and the expected return and potential loss of the investments.

Trade and Other Payables

Our trade and other payables mainly comprise (i) trade payables for materials and services, (ii) government grants, (iii) payables for property, plant and equipment, (iv) accrued staff costs and benefits, (v) other payables, (vi) borrowing arrangement fee payables, (vii) other tax payables, and (viii) deposits.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Payables for property, plant and equipment	72	—	—
Borrowing arrangement fee payables	—	20,234	18,068
	72	20,234	18,068
Current:			
Trade payables for materials and services	84,935	96,227	109,500
Accrued staff costs and benefits	25,966	20,413	31,765
Payables for property, plant and equipment	214,621	75,478	54,411
Government grants	85,000	90,000	90,000
Borrowing arrangement fee payables	—	327	685
Other payables	13,466	11,263	14,021
Other tax payables	2,366	4,572	8,861
Deposits	100	—	—
	426,454	298,280	309,243
Total	**426,526**	**318,514**	**327,311**

Our current trade and other payables decreased from RMB426.5 million as of December 31, 2023 to RMB298.3 million as of December 31, 2024, primarily due to the decrease in payables for property, plant and equipment as we settled certain outstanding payables relating to construction and equipment procurement. Our current trade and other payables increased from RMB298.3 million as of December 31, 2024 to RMB309.2 million as of December 31, 2025, primarily due to increases in trade payables for materials and services and accrued staff costs and benefits, partially offset by a further decrease in payables for property, plant and equipment.

The following table sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	35,942	56,676	78,274
6 months to 1 year	28,663	13,031	15,987
Over 1 year	20,330	26,520	15,239
Total	**84,935**	**96,227**	**109,500**

The following table sets forth turnover days of our trade payables for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
		(days)	
Trade payables turnover days*	66.3	66.3	74.7

Note:

* Trade payables turnover days for each year is calculated as the average balance of trade payables, derived from the beginning and ending balances of trade payables for the year, divided by the cost of sales for the same corresponding year, and then multiplied by 365 days in that year.

Our trade payables turnover days were 66.3 days in 2023, 66.3 days in 2024 and 74.7 days in 2025. The increase to 74.7 days in 2025 was primarily due to the increase in the average balance of trade payables, mainly as a result of the slower settlement of payables for materials and services.

As of April 30, 2026, RMB52.5 million, or 36.0%, of our trade payables as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities represented advances from customers and billings in excess of revenue recognized, primarily arising from upfront payments and milestone payments received under our customer contracts.

Our contract liabilities decreased from RMB113.1 million as of December 31, 2023 to RMB105.9 million as of December 31, 2024, primarily due to the recognition of revenue from advances and milestone payments received in prior periods, partially offset by new upfront payments and milestone payments received from customers during the year.

Our contract liabilities increased from RMB105.9 million as of December 31, 2024 to RMB193.2 million as of December 31, 2025, primarily due to the increase in contract liabilities from CDMO services from RMB105.9 million as of December 31, 2024 to RMB164.2 million as of December 31, 2025, as well as contract liabilities of RMB29.0 million from others as of December 31, 2025. Such increase was mainly attributable to upfront payments and milestone payments received from customers under relevant customer contracts, in line with the progress of the relevant projects and agreed payment terms.

As of April 30, 2026, RMB90.1 million, or 46.6% of our contract liabilities outstanding as of December 31, 2025 had been subsequently recognized as revenue.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) owned properties, (ii) plant and machinery, (iii) office equipment and fixtures, (iv) vehicles, (v) leasehold improvements and (vi) construction in progress.

Our property, plant and equipment increased from RMB1,340.1 million as of December 31, 2023 to RMB1,476.7 million as of December 31, 2024, primarily due to additions to construction in progress and transfers from construction in progress to owned properties, plant and machinery and leasehold improvements in connection with our capacity expansion and production facility construction, partially offset by depreciation and disposals during the year.

Our property, plant and equipment increased from RMB1,476.7 million as of December 31, 2024 to RMB1,479.1 million as of December 31, 2025, primarily because additions to construction in progress and transfers from construction in progress to owned properties and plant and machinery upon completion or commissioning of relevant facilities were largely offset by depreciation and disposals during the year.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we primarily relied on bank borrowings, capital contributions from shareholders and cash flows from our business operations as our major sources of liquidity. With respect to cash management, our objective is to maintain sufficient liquidity to support our business operations and capital expenditure requirements while managing financial risks in a prudent manner. Specifically, we have policies in place to monitor and manage the settlement of trade receivables. In determining the credit terms granted to customers, we consider a number of factors, including the customer's credit profile, cooperation history, transaction background and past payment record. To monitor the settlement of our trade receivables and reduce credit risk, we regularly review the aging of trade receivables and payment status of major customers, and follow up on overdue balances where appropriate.

Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash from (used in) operating activities	11,139	(112,003)	74,739
Net cash (used in) from investing activities	(140,794)	(539,578)	77,209
Net cash from financing activities	198,380	624,472	162,815
Net increase (decrease) in cash and cash equivalents	68,725	(27,109)	314,763
Cash and cash equivalents at the beginning of the year	200,393	269,118	242,009
Cash and cash equivalents at the end of the year	**269,118**	**242,009**	**556,772**

Net Cash from (Used in) Operating Activities

In 2025, we recorded net cash from operating activities of RMB74.7 million, compared to our loss before tax of RMB215.5 million for the same year. The difference between our loss before tax and our net cash from operating activities for the year was primarily attributable to (i) certain non-cash or non-operating expenses or losses, mainly including depreciation of property, plant and equipment of RMB120.1 million and finance costs of RMB139.7 million; and (ii) changes in certain working capital items, mainly including an increase in contract liabilities of RMB87.2 million and an increase in trade and other payables of RMB81.1 million, which were partially offset by an increase in contract costs of RMB41.3 million and an increase in contract assets of RMB34.7 million.

In 2024, we recorded net cash used in operating activities of RMB112.0 million, compared to our loss before tax of RMB293.1 million for the same year. The difference between our loss before tax and our net cash used in operating activities for the year was primarily attributable to (i) certain non-cash or non-operating expenses or losses, mainly including finance costs of RMB139.1 million and depreciation of property, plant and equipment of RMB115.0 million; and (ii) changes in certain working capital items, which partially offset the foregoing adjustments, mainly comprising an increase in trade and other payables of RMB96.0 million and a decrease in contract costs of RMB48.5 million, partially offset by an increase in prepayments and other receivables of RMB80.7 million, an increase in contract assets of RMB61.8 million and an increase in trade receivables of RMB61.8 million.

In 2023, we recorded net cash from operating activities of RMB11.1 million, compared to our loss before tax of RMB170.1 million for the same year. The difference between our loss before tax and our net cash from operating activities for the year was primarily attributable to (i) certain non-cash or non-operating expenses or losses, mainly including finance costs of RMB110.6 million and depreciation of property, plant and equipment of RMB95.6 million, partially offset by gain on disposal of a subsidiary of RMB95.8 million; and (ii) changes in certain working capital items, mainly comprising a decrease in inventories of RMB132.4 million and an increase in trade and other payables of RMB85.8 million, partially offset by an increase in trade receivables of RMB102.4 million and an increase in contract costs of RMB54.0 million.

Net Cash Used in Investing Activities

In 2025, we recorded net cash from investing activities of RMB77.2 million, primarily attributable to proceeds from disposal of financial assets at FVTPL of RMB1,503.2 million, withdrawal of restricted bank deposits of RMB143.4 million, partially offset by purchases of financial assets at FVTPL of RMB1,421.9 million and purchases of property, plant and equipment of RMB195.2 million for the construction and equipping of production facilities.

In 2024, we recorded net cash used in investing activities of RMB539.6 million, primarily attributable to purchases of financial assets at FVTPL of RMB1,475.8 million, purchases of property, plant and equipment of RMB412.2 million for the construction and equipping of production facilities, and placement of restricted bank deposits of RMB145.5 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB1,453.0 million and consideration received on disposal of subsidiaries of RMB52.0 million.

In 2023, we recorded net cash used in investing activities of RMB140.8 million, primarily attributable to purchases of financial assets at FVTPL of RMB951.0 million and purchases of property, plant and equipment of RMB258.1 million for the construction and equipping of production facilities, partially offset by proceeds from disposal of financial assets at FVTPL of RMB999.2 million and government grants related to assets of RMB40.0 million.

Net Cash from Financing Activities

In 2025, we recorded net cash from financing activities of RMB162.8 million, primarily attributable to net proceeds from borrowings of RMB705.2 million, partially offset by the repayment of borrowings of RMB494.9 million and interest paid of RMB52.2 million.

In 2024, we recorded net cash from financing activities of RMB624.5 million, primarily attributable to net proceeds from borrowings of RMB1,352.9 million, partially offset by the repayment of borrowings of RMB1,004.3 million and interest paid of RMB47.2 million.

In 2023, we recorded net cash from financing activities of RMB198.4 million, primarily attributable to net proceeds from borrowings of RMB456.8 million, partially offset by interest paid of RMB47.1 million and the repayment of borrowings of RMB11.9 million.

WORKING CAPITAL

Our Directors are of the opinion that, taking into account the financial resources available to us, including our cash and cash equivalents, available banking facilities, net cash from operating activities and the estimated net **[REDACTED]** from the **[REDACTED]**, we have sufficient working capital for our present requirements, that is for at least the next 12 months from the date of this document.

INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consisted of bank borrowings, lease liabilities and redemption liabilities recognized in relation to investments from investors with preferred rights.

The following table sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Borrowings	518,893	521,159	538,137	514,183
Redemption liabilities	1,028,229	1,454,076	1,552,556	1,585,383
Lease liabilities	9,630	9,488	7,507	9,915
Non-current				
Borrowings	601,250	925,544	1,118,958	1,115,318
Lease liabilities	37,339	27,923	21,167	20,879
Total	**2,195,341**	**2,938,190**	**3,238,325**	**3,245,678**

Borrowings

Our borrowings primarily consist of secured bank borrowings and unsecured bank borrowings.

The following table sets forth a breakdown of our borrowings as of the periods indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Secured bank borrowings	640,194	944,047	1,237,582	1,226,372
Secured other borrowings	867	—	—	—
Unsecured bank borrowings	480,270	526,339	443,025	425,730
	1,121,331	1,470,386	1,680,607	1,652,102
Less: borrowing arrangement fees, net of amortization	(1,188)	(23,683)	(23,512)	(22,601)
Total	**1,120,143**	**1,446,703**	**1,657,095**	**1,629,501**

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our total borrowings were RMB1,120.1 million, RMB1,446.7 million RMB1,657.1 million and RMB1,629.5 million, respectively.

Our borrowings bore fixed or variable interest rates. During the Track Record Period, the effective interest rates of our fixed-rate borrowings ranged from 2.4% to 3.6%, and the effective interest rates of our variable-rate borrowings ranged from 2.6% to 4.45%. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our secured borrowings were secured by property, plant and equipment with gross carrying amounts of RMB210.2 million, RMB610.3 million and RMB705.4 million and RMB705.4 million, respectively.

Our Directors confirm that during the Track Record Period and as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. As of April 30, 2026, we had unutilized committed banking facilities of RMB1,018.3 million.

Redemption Liabilities

Our redemption liabilities represented financial liabilities recognized in relation to the redemption rights attached to the investments from investors with preferred rights. Under the terms of the relevant shareholders' agreements, such investors had the right to require us to redeem their investments upon the occurrence of certain events, including, among others, failure to complete a qualified initial public offering by a specified date. As a result, such investments were recorded as financial liabilities measured at amortized cost. The redemption liabilities are accreted to the redemption amount over time through non-cash interest charges recognized in finance costs. We recorded redemption liabilities of RMB1,028.2 million as of December 31,

2023, RMB1,454.1 million as of December 31, 2024, RMB1,552.6 million as of December 31, 2025 and RMB1,585.4 million as of April 30, 2026.

Pursuant to a supplemental agreement of the shareholders agreement entered into by the Company with preferential rights investors of the Company in December 2025, the redemption rights have ceased to be effective from the date on which the first submission of application for an **[REDACTED]** of shares of the Company on the Main Board of the Stock Exchange (the "**[REDACTED]**") and shall be automatically resumed upon the occurrence of certain events. All the preferential rights shall be automatically terminated upon the completion of the **[REDACTED]**. The Directors, taking into account of their plan and progress of the **[REDACTED]** and the likelihood of the occurrence of these events, are of the opinion that the Company does not expect to settle the redemption liabilities in the next twelve months from the date of this document. See Note 32 to the Accountants' Report set out in Appendix I to this document for details.

Lease Liabilities

Lease liabilities represented our obligations to make lease payments under our lease arrangements, primarily for leased properties used in our operations. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our lease liabilities were RMB47.0 million, RMB37.4 million, RMB28.7 million and RMB30.8 million, respectively.

The following table sets forth a breakdown of our lease liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current lease liabilities	9,630	9,488	7,507	9,915
Non-current lease liabilities	37,339	27,923	21,167	20,879
Total	**46,969**	**37,411**	**28,674**	**30,794**

Indebtedness statement

Except as discussed above, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured as of the Latest Practicable Date.

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
Gross loss margin[(1)]	(7.4%)	(15.1%)	(3.9%)

Note:

(1) Gross loss margin is calculated based on gross loss divided by revenue for the relevant year.

CAPITAL EXPENDITURES

Our purchases of property, plant and equipment mainly related to the construction and equipping of our production facilities and capacity expansion. The following table sets forth the breakdown of our capital expenditures for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of property, plant and equipment	258,124	412,204	195,218
Purchase of intangible assets	3,071	9,095	592
Total	**261,195**	**421,299**	**195,810**

Our capital expenditures increased from RMB261.2 million in 2023 to RMB421.3 million in 2024, primarily due to the increase in purchases of property, plant and equipment during the period. Our capital expenditures decreased from RMB421.3 million in 2024 to RMB195.8 million in 2025, primarily due to the decrease in purchases of property, plant and equipment as certain major construction and installation works had been completed or progressed to a later stage.

We expect to fund our planned capital expenditures through a combination of cash and cash equivalents, cash generated from operating activities, bank borrowings and net **[REDACTED]** from the **[REDACTED]**.

CAPITAL COMMITMENTS

Our capital commitments during the Track Record Period primarily related to property, plant and equipment. The following table sets forth our capital commitments as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	211,382	132,328	65,097
Total	**211,382**	**132,328**	**65,097**

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we had contingent liabilities in relation to financial guarantees provided to Changshu Yudeyang, a subsidiary disposed of in 2023, for its outstanding loans of RMB33.4 million, RMB33.4 million and RMB26.3 million, respectively. Based on the assessment of our Directors, no liability was recognized in our consolidated statements of financial position in respect of such financial guarantees as of December 31, 2023, 2024 and 2025, respectively.

Except as discussed above, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

RELATED PARTY TRANSACTIONS

We entered into transactions with our related parties during the Track Record Period. For details of our related party transactions and balances, see Note 38 to the Accountants' Report included in Appendix I to this document. Our Directors are of the view that such related party transactions and balances did not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any material off-balance sheet arrangements.

FINANCIAL RISKS DISCLOSURE

Market Risk

Our activities expose us primarily to currency risk, interest rate risk and other price risk. We monitor and manage these exposures on an ongoing basis.

Currency Risk

Certain of our financial assets are denominated in foreign currencies, primarily U.S. dollars, and are therefore exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, our management monitors our foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to our cash and cash equivalents, restricted bank deposits, fixed-rate borrowings, redemption liabilities and lease liabilities. We are also exposed to cash flow interest rate risk primarily in relation to our variable-rate bank borrowings.

Our cash flow interest rate risk is mainly concentrated on fluctuations in interest rates quoted by the loan prime rate. We manage our interest rate exposure by assessing the potential impact of interest rate movements based on prevailing interest rate levels and market outlook. Our management reviews the proportion of fixed-rate and variable-rate borrowings from time to time and seeks to maintain such proportion within a reasonable range.

Other Price Risk

We are exposed to other price risk arising from equity securities classified as financial assets at FVTPL.

Credit Risk and Impairment Assessment

Credit risk refers to the risk that our counterparties default on their contractual obligations, resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade receivables, other receivables and deposits, contract assets, cash and cash equivalents, restricted bank deposits and financial guarantees. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets.

To manage credit risk, we have established procedures for determining credit limits, approving credit terms and monitoring the collection of overdue receivables. We perform impairment assessment under the expected credit loss model on financial assets and contract assets that are subject to impairment assessment. See Note 40 to the Accountants' Report included in Appendix I to this document for further details.

DIVIDENDS

We did not declare or pay any dividends during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. **[REDACTED]** should not purchase our H Shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. We may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or, as advised by our PRC Legal Advisor, even if we become profitable, we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

PROPERTY INTEREST AND PROPERTY VALUATION

AVISTA, an independent property valuer, has valued our selected property interests as of April 30, 2026. Particulars of these property interests are set out in Appendix III to this document. Save as disclosed in this document, as of April 30, 2026, (i) no single property that forms part of property activities has a carrying amount of 1% or more of our total assets; and (ii) no single property interest that forms part of our non-property activities has a carrying amount of 15% or more of our total assets.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves available for distribution to our shareholders.

[REDACTED]

Our **[REDACTED]** mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]**, and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the **[REDACTED]** fee, the estimated total **[REDACTED]** (based on the mid-point of the

[REDACTED] range and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]** million, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]**, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]** million, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** million and other fees and expenses of HK$**[REDACTED]** million. During the Track Record Period, we did not incur **[REDACTED]**. An estimated amount of HK$**[REDACTED]** million for our **[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** million is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and that there has been no event since December 31, 2025 and up to the date of this document that would materially affect the information in the Accountants' Report.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

[REDACTED]

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Li, our founder of the Group, executive Director, chairman of the Board and CEO was able to exercise approximately 57.84% of the voting rights in our Company through: (i) 2,013,100 Shares directly held by Mr. Li, (ii) 9,971,100 Shares held by Suzhou Zhilihui, which is wholly owned by Mr. Li, and (iii) an aggregate of 5,994,040 Shares held by Changshu Qiyang, Qijun Partnership, Qikun Partnership, Qiheng Partnership, Qihao Partnership and Qide Partnership, the general partner of each of which is Huide Information Technology, which is owned as to 98% by Mr. Li.

Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), Mr. Li, Suzhou Zhilihui, Changshu Qiyang, Qijun Partnership, Qikun Partnership, Qiheng Partnership, Qihao Partnership, Qide Partnership and Huide Information Technology will continue to control approximately **[REDACTED]**% of our Company's enlarged share capital, and thus remaining as a group of Controlling Shareholders of our Company.

COMPETITION

As of the Latest Practicable Date, our Controlling Shareholders confirmed that none of them had any interest in any business, other than our business, which competes or is likely to compete, either directly or indirectly, with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors believe that our Group will be capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]** for the reasons set out below.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their respective close associates. We are in possession of all relevant licenses, assets, copyrights, trademarks and other intellectual properties necessary to carry on and operate our business. In addition, we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that our Group will be able to operate independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Management Independence

Upon the **[REDACTED]**, our Board will comprise four executive Directors, two non-executive Directors and three independent non-executive Directors, and our senior management team will comprise five members. Our executive Directors and senior management team are responsible for the daily management of our operations.

Our Directors believe that our Group will be able to function independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]** for the following reasons:

(a) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors are not associated with our Controlling Shareholders or their respective close associates, which ensures that decisions of our Board are made only after due consideration of independent and impartial opinions;

(b) our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to provide a balance of potentially interested Directors with a view to promote the interests of our Company and our Shareholders as a whole;

(c) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions;

(d) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director of a listed issuer, which require that he or she acts for the benefit and in the best interest of our Company, and does not allow any conflict between his or her duties as a Director and his or her personal interests; and

(e) if there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Directors are obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings in respect of such transactions.

Based on the above, our Directors believe that they will be able to perform their managerial roles in our Company independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders or their respective close associates. During the Track Record Period and as of the Latest Practicable Date, we received a series of Pre-**[REDACTED]** Investments from third party investors independently. For details of the Pre-**[REDACTED]** Investments, see "History, Development and Corporate Structure." As of the Latest Practicable Date, there were no subsisting loans, guarantees or pledges provided by our Controlling Shareholders or their respective close associates to our Group.

Based on the above, our Directors believe that our Group will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to maintain good corporate governance standards and to avoid potential conflict of interest between our Group and our Controlling Shareholders and their respective close associates:

(a) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Group enters into connected transactions with our Controlling Shareholders or their respective close associates, our Company will comply with the applicable requirements under the Listing Rules;

(b) where a Shareholders' meeting is to be held to consider proposed transactions in which our Controlling Shareholders or their respective close associates have any material interests, our Controlling Shareholders and their respective close associates (as applicable) will not vote on the relevant resolutions;

(c) our independent non-executive Directors will review whether there is any conflict of interest between our Group and our Controlling Shareholders and their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) if any of our Controlling Shareholders or Directors has a conflict of interest in a matter to be considered by our Board which our Board has determined to be material, the matter will be dealt with by a physical meeting rather than a written resolution. Additionally, our independent non-executive Directors with no material interest in the matter will be present at the relevant Board meeting;

(e) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including independent non-executive Directors), the appointment of such independent professional will be made at our Company's expenses; and

(f) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor who will provide advice and guidance to us with respect to compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflict of interest between our Group and our Controlling Shareholders and their respective close associates, and to protect our minority Shareholders' rights after the **[REDACTED]**.

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB31,080,736 divided into 31,080,736 Unlisted Shares with a nominal value of RMB1.00 each.

Immediately prior to the **[REDACTED]**, the ordinary shares of the Company will be split on a one for ten basis, and the registered share capital of our Company will be RMB31,080,736, comprising 310,807,360 Unlisted Shares in issue of nominal value RMB0.10 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the Share Subdivision, the **[REDACTED]** and the conversion of the Unlisted Shares into H Shares, assuming that the **[REDACTED]** is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital
		(%)
Unlisted Shares in issue	8,302,070	**[REDACTED]**
H Shares converted from Unlisted Shares	302,505,290	**[REDACTED]**
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

Immediately following the completion of the Share Subdivision, the **[REDACTED]** and the conversion of the Unlisted Shares into H Shares, assuming that the **[REDACTED]** is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital
		(%)
Unlisted Shares in issue	8,302,070	**[REDACTED]**
H Shares converted from Unlisted Shares	302,505,290	**[REDACTED]**
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

RANKING

Upon the completion of the **[REDACTED]** and the conversion of 302,505,290 Unlisted Shares into H Shares, the Shares will consist of H Shares only. H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H

Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be **[REDACTED]** for by or **[REDACTED]** between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares into H Shares, and such converted Shares may be **[REDACTED]** and **[REDACTED]** on an overseas stock exchange provided that the required filings with the CSRC for the conversion, **[REDACTED]** and **[REDACTED]** of such converted Shares have been completed. Additionally, such conversion, **[REDACTED]** and **[REDACTED]** shall meet applicable requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any Unlisted Shares are to be converted, **[REDACTED]** and **[REDACTED]** as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the **[REDACTED]** of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the **[REDACTED]** to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry in the **[REDACTED]**. As the **[REDACTED]** of additional H Shares after the **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for **[REDACTED]** at the time of our **[REDACTED]** in Hong Kong. Any application for **[REDACTED]** of the converted H Shares on the Stock Exchange after the **[REDACTED]** is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register of members, and our Company will re-register such Shares on the **[REDACTED]** maintained in Hong Kong and instruct the **[REDACTED]** to issue H Share certificates. Registration on the **[REDACTED]** of our Company will be on the conditions that (i) the **[REDACTED]** lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the **[REDACTED]** and the due dispatch of H Share certificates, and (ii) the admission of the H Shares to be **[REDACTED]** on the Stock Exchange complies with the Listing Rules and the **[REDACTED]** and **[REDACTED]** in force from time to time. Until the converted Shares are re-registered in the **[REDACTED]** of members of our Company, such Shares would not be **[REDACTED]** as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization of Our Company."

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the **[REDACTED]** shall not be transferred within one year from the **[REDACTED]**.

Shares transferred by our Directors and senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors or senior management in our Company.

See "**[REDACTED]**" for details of the lock-up undertakings.

REGISTRATION OF SHARES NOT [REDACTED] ON OVERSEAS STOCK EXCHANGE

According to the Notice on Adjustment of Business Acceptance of Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies of China Securities Depositary and Clearing Corporation Limited (《中國證券登記結算有限責任公司關於境外上市公司非境外上市股份登記存管業務受理調整的通知》) and the Business Guidelines for the Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies of China Securities Depositary and Clearing Corporation Limited Shenzhen Branch (《中國證券登記結算有限責任公司深圳分公司境外上市公司非境外上市股份登記存管業務指南》), our Company is required to register and deposit our Shares that are not listed on the overseas stock exchange with the Shenzhen Branch of the CSDC.

SHAREHOLDERS' MEETING

For details of circumstances under which our Shareholders' meeting is required, see "Appendix IV — Summary of Articles of Association."

GENERAL MANDATE TO ISSUE SHARES AND SELL AND/OR TRANSFER TREASURY SHARES

Subject to the completion of the **[REDACTED]**, pursuant to the Shareholder resolutions of our Company, our Board has been granted a general mandate to allot and issue Shares and sell and/or transfer treasury Shares. See "Appendix V — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders."

PRE-[REDACTED] SHARE INCENTIVE SCHEME

We adopted the Pre-**[REDACTED]** Share Incentive Scheme on January 5, 2026, details of which are set out in "Appendix V — Statutory and General Information — D. Pre-**[REDACTED]** Share Incentive Scheme."

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and the conversion of Unlisted Shares to H Shares, the following persons will have interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company.

		As of the Latest Practicable Date (taking into account the Share Subdivision)		Immediately following the [REDACTED] (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised		
Shareholder	**Nature of interest**	**Number of Shares interested in[1]**	**Approximate percentage of shareholding in total Shares[2]**	**Number of Shares interested in[1]**	**Approximate percentage of interest in the H Shares/Unlisted Shares[3]**	**Approximate percentage of interest in the total Shares[3]**
			(%)		*(%)*	*(%)*
Mr. Li	Beneficial owner	20,131,000 Unlisted Shares	6.48	20,131,000 H Shares	**[REDACTED]**	**[REDACTED]**
	Interest in controlled corporations[4]	159,651,400 Unlisted Shares	51.37	159,651,400 H Shares	**[REDACTED]**	**[REDACTED]**
Suzhou Zhilihui	Beneficial owner[4]	99,711,000 Unlisted Shares	32.08	99,711,000 H Shares	**[REDACTED]**	**[REDACTED]**
Ms. Huang	Interest in controlled corporations[5][6]	32,339,700 Unlisted Shares	10.41	32,339,700 H Shares	**[REDACTED]**	**[REDACTED]**
Changshu Qiming	Beneficial owner[5]	30,000,000 Unlisted Shares	9.65	30,000,000 H Shares	**[REDACTED]**	**[REDACTED]**
Ms. Yan	Interest in controlled corporations[5]	30,000,000 Unlisted Shares	9.65	30,000,000 H Shares	**[REDACTED]**	**[REDACTED]**
Mr. Chen	Interest in controlled corporations[7]	20,347,050 Unlisted Shares	6.55	20,347,050 H Shares	**[REDACTED]**	**[REDACTED]**

		As of the Latest Practicable Date (taking into account the Share Subdivision)		Immediately following the [REDACTED] (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised		
Shareholder	**Nature of interest**	**Number of Shares interested in[1]**	**Approximate percentage of shareholding in total Shares[2]**	**Number of Shares interested in[1]**	**Approximate percentage of interest in the H Shares/Unlisted Shares[3]**	**Approximate percentage of interest in the total Shares[3]**
			(%)		*(%)*	*(%)*
Lhasa Junqi	Interest in controlled Corporations[7]	20,347,050 Unlisted Shares	6.55	20,347,050 H Shares	**[REDACTED]**	**[REDACTED]**
Yimei Kangjian	Beneficial owner[8]	9,438,930 Unlisted Shares	3.04	1,136,860 H Shares	**[REDACTED]**	**[REDACTED]**
				8,302,070 Unlisted Shares	**[REDACTED]**	**[REDACTED]**
Mr. Xu	Interest in controlled Corporations[8]	9,438,930 Unlisted Shares	3.04	1,136,860 H Shares	**[REDACTED]**	**[REDACTED]**
				8,302,070 Unlisted Shares	**[REDACTED]**	**[REDACTED]**
Mr. Zhao	Interest in controlled Corporations[8]	9,438,930 Unlisted Shares	3.04	1,136,860 H Shares	**[REDACTED]**	**[REDACTED]**
				8,302,070 Unlisted Shares	**[REDACTED]**	**[REDACTED]**

Notes:

(1) All interests set out in the table above represent long positions.

(2) The calculation is based on the total number of Shares in issue as of the Latest Practicable Date, which consist of 310,807,360 Unlisted Shares among which, 302,505,290 of the Unlisted Shares will be converted into H Shares upon completion of the **[REDACTED]** after receipt of the filing notice regarding H share "Full circulation" from the CSRC.

(3) The calculation is based on the total number of 8,302,070 Unlisted Shares and **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) after receipt of the filing notice regarding H share "Full circulation" from the CSRC.

(4) As of the Latest Practicable Date, (i) Suzhou Zhilihui was wholly owned by Mr. Li and (ii) the general partner of each of Changshu Qiyang, Qijun Partnership, Qikun Partnership, Qiheng Partnership, Qihao Partnership and Qide Partnership was Huide Information Technology, which was owned as to 98% by Mr. Li. As such, Mr. Li is

deemed to be interested in 99,711,000, 10,163,530, 9,618,870, 10,000,000, 10,000,000, 5,158,000 and 15,000,000 H Shares after the **[REDACTED]** (taking into account the Share Subdivision) held by Suzhou Zhilihui, Qiyang Changshu, Qijun Partnership, Qide Partnership, Qihao Partnership, Qikun Partnership and Qiheng Partnership, respectively, under the SFO.

(5) Changshu Qiming Biotechnology Partnership (Limited Partnership) (常熟啟明生物科技合夥企業(有限合夥)) ("**Changshu Qiming**") beneficially owns 30,000,000 H Shares after the **[REDACTED]** (taking into account the Share Subdivision). The general partner of Changshu Qiming is Yan Rongqing (顏容青) ("**Ms. Yan**"). As of the Latest Practicable Date, there were 23 limited partners in Changshu Qiming, with the largest limited partner, Ms. Huang Qiong (黃瓊) ("**Ms. Huang**") being our executive Director, holding 40.00% partnership interest. As such, each of Ms. Yan and Ms. Huang is deemed to be interested in the Shares held by Changshu Qiming under the SFO.

(6) Suzhou Yunzhi Biopharmaceutical Technology Partnership (Limited Partnership) (蘇州雲智生物醫藥科技合夥企業(有限合夥)) ("**Suzhou Yunzhi**") beneficially owns 2,339,700 H Shares after the **[REDACTED]** (taking into account the Share Subdivision). The general partner of Suzhou Yunzhi is Ms. Huang. As such, Ms. Huang is deemed to be interested in the Shares held by Suzhou Yunzhi under the SFO.

(7) Zhuhai Junlian He'an Equity Investment Enterprise (Limited Partnership) (珠海君聯和安股權投資企業(有限合夥)) ("**Zhuhai Junlian**") beneficially owns 4,547,440 H Shares after the **[REDACTED]** (taking into account the Share Subdivision). The general partner of Zhuhai Junlian is Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) ("**Lhasa Junqi**"), which is ultimately controlled by Mr. Chen Hao (陳浩) ("**Mr. Chen**"). Beijing Junlian Huikang Equity Investment Partnership Enterprise (Limited Partnership) (北京君聯惠康股權投資合夥企業(有限合夥)) ("**Beijing Junlian**") beneficially owns 15,799,610 H Shares after the **[REDACTED]** (taking into account the Share Subdivision). The general partner of Beijing Junlian is Lhasa Junqi. As such, each of Lhasa Junqi and Mr. Chen is deemed to be interested in the Shares held by Zhuhai Junlian and Beijing Junlian under the SFO.

(8) Ningbo Meishan Bonded Port Area Yimei Kangjian Hospital Investment Management Center (Limited Partnership) (寧波梅山保稅港區溢美康健醫院投資管理中心(有限合夥)) ("**Yimei Kangjian**") beneficially owns 8,302,070 Unlisted Shares and 1,136,860 H Shares immediately after completion of the **[REDACTED]**. The general partner of Yimei Kangjian is Mr. Xu Tian (徐天) ("**Mr. Xu**"). As of the Latest Practicable Date, there was one limited partner in Yimei Kangjian, being Mr. Zhao Xiaochuan (趙曉川) ("**Mr. Zhao**"), held 99.00% partnership interest. As such, each of Mr. Xu and Mr. Zhao is deemed to be interested in the Shares held by Yimei Kangjian under the SFO.

Save as disclosed above and in "Appendix V — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 3. Disclosure of Interests," our Directors are not aware of any person who will, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and the conversion of Unlisted Shares to H Shares, have any interest and/or short position in the Shares or underlying Shares of our Company which will fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

BOARD OF DIRECTORS

Upon **[REDACTED]**, our Board of Directors comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive re-appointments.

The following table sets out information in respect of the Directors of our Company:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director
Executive Directors					
Mr. Li Zhi (李智)*	43	Executive Director, chairman of the Board and CEO	Overall strategic planning, business direction and day-to-day management of our Group	May 2, 2018	November 28, 2018
Dr. Zhuge Xin (諸葛鑫)	39	Executive Director	Overseeing the process development of our Group	November 20, 2020	November 27, 2020
Dr. Liang Kexue (梁克學)	36	Executive Director (employee representative Director) and assistant to the CEO	Overseeing the marketing and business operations of our Group	November 20, 2020	November 27, 2020
Ms. Huang Qiong (黃瓊)*	56	Executive Director, joint company secretary, chief financing officer and vice president of investment and financing	Engaging with potential investors and supporting the financing activities of our Company	May 10, 2019	July 12, 2021
Non-executive Directors					
Mr. Wang Jianfei (汪劍飛)	49	Non-executive Director	Responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group	November 27, 2020	November 27, 2020
Mr. Sun Linghao (孫凌皓)	36	Non-executive Director	Responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group	February 25, 2026	February 25, 2026

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director
Independent Non-executive Directors					
Mr. He Yong (何勇)	53	Independent non-executive Director	Supervising and providing independent opinion and judgement to the Board	January 10, 2026	January 10, 2026
Ms. Chan Yee Man (陳綺文)	55	Independent non-executive Director	Supervising and providing independent opinion and judgement to the Board	January 10, 2026	January 10, 2026
Mr. Yin Wenping (尹文平)	44	Independent non-executive Director	Supervising and providing independent opinion and judgement to the Board	May 26, 2026	May 26, 2026

Note:

* Ms. Huang Qiong is Mr. Li's sister-in-law. Other than that, none of our Directors and members of senior management are related to other Directors or members of senior management.

EXECUTIVE DIRECTORS

Mr. Li Zhi (李智), our executive Director, chairman of the Board and CEO. Prior to founding our Company in April 2018, Mr. Li worked as a director of cell culture process development and head of R&D system operations at Innovent Biologics, Inc. (信達生物製藥) from November 2011 to March 2018, a company listed on the Stock Exchange (stock code: 1801.HK). From November 2008 to October 2011, Mr. Li worked as leader of pilot-scale manufacturing workshop at Chengdu Kanghong Biotechnology Co., Ltd. (成都康弘生物科技有限公司), a wholly-owned subsidiary of Chengdu Kanghong Pharmaceutical Group Co., Ltd. (成都康弘藥業集團股份有限公司) which is listed on the Shenzhen Stock Exchange (stock code: 002773.SZ). From August 2004 to March 2008, Mr. Li worked as cell culture team leader at CSPC Recomgen Pharmaceutical (Guangzhou) Co., Ltd. (石藥集團明復樂藥業(廣州)有限公司, formerly known as Guangzhou Mingkang Biotechnology Co., Ltd. (廣州銘康生物工程有限公司)), a subsidiary of CSPC Pharmaceutical Group Limited which is a company listed on the Stock Exchange (stock code: 1093.HK). Mr. Li also serves as the director and general manager at Intellective Biotechnology (Suzhou) Co., Ltd. (智享生物技術(蘇州)有限公司), our wholly-owned subsidiary from April 2021.

Mr. Li received a bachelor's degree in biotechnology from Jinan University (暨南大學) in the PRC in June 2004 and a master's degree in biomedical engineering from Sichuan University (四川大學) in the PRC in June 2014, respectively.

Dr. Zhuge Xin (諸葛鑫), our executive Director. Prior to joining our Company in November 2020, Dr. Zhuge served as executive director and general manager at Suzhou Maidimu Biotechnology Co., Ltd. (蘇州邁締姆生物技術有限公司) and worked as the cell culture and process development supervisor at Innovent Biologics, Inc. from March 2016 to March 2018. From January 2015 to December 2015, he worked as senior researcher at WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司).

Dr. Zhuge received a bachelor's degree in biotechnology from Shandong Agricultural University (山東農業大學) in the PRC in July 2009. Dr. Zhuge received a Ph.D. in fermentation engineering from Jiangnan University (江南大學) in January 2015, respectively. Dr. Zhuge received a master's degree of business administration from Shanghai Jiaotong University (上海交通大學) in the PRC in December 2024.

Dr. Liang Kexue (梁克學), our executive Director (employee representative Director) and assistant to the CEO. Prior to joining our Group in November 2020, Dr. Liang served as general manager at Suzhou Zhiweian Biotechnology Co., Ltd. (蘇州智維安生物技術有限公司) from October 2018 to October 2020. Dr. Liang worked at Innovent Biologics, Inc. from August 2015 to February 2018. From July 2014 to July 2015, Dr. Liang worked as process researcher at WuXi AppTec Biopharmaceuticals Co., Ltd. (無錫藥明康德生物技術有限公司).

Dr. Liang received a bachelor's degree in pharmaceutical engineering from Linyi University (臨沂大學) in the PRC in July 2011. Dr. Liang received a master's degree and a Ph.D. in fermentation engineering from Jiangnan University (江南大學) in June 2014 and June 2025, respectively.

Ms. Huang Qiong (黃瓊), our executive Director, joint company secretary, chief financing officer and vice president of investment and financing. Prior to joining our Company, Ms. Huang worked at JPMorgan Chase & Co in the United States from March 2010 to April 2019, with her last position as vice president and business operations manager.

Ms. Huang received a bachelor's degree in Chinese as a foreign language from Sichuan International Studies University (四川外國語大學) (formerly known as Sichuan Foreign Language School (四川外語學院)) in the PRC in July 1992. Ms. Huang received a master of arts degree and a master's degree in business administration from the University of Illinois in the United States in May 2003.

NON-EXECUTIVE DIRECTORS

Mr. Wang Jianfei (汪劍飛), our non-executive Director, joined our Group in November 2020. Mr. Wang has extensive investment experience in the healthcare sector. Prior to joining our Group in November 2020, Mr. Wang once worked at Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司) as a managing director. From March 2010 to March 2011, Mr. Wang served as director of investment at Legend Holdings Corporation (聯想控股股份有限公司), a company listed on the Stock Exchange (stock code: 3396.HK). From March 2006 to February 2010, Mr. Wang worked at Legend Capital Limited (聯想投資有限公司, currently known as Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司)), with his last position as vice president of investment. Mr. Wang served as directors at two listed companies on the Shenzhen Stock Exchange: Aidite (Qinhuangdao) Technology Co., Ltd. (愛迪特(秦皇島)科技股份有限公司) (stock code: 301580.SZ) since November 2019 and Wuhan EasyDiagnosis Biomedicine Co., Ltd. (武漢明德生物科技股份有限公司) (stock code: 002932.SZ) since 2015.

Mr. Wang received a bachelor's degree in information and control engineering from Shanghai Jiaotong University (上海交通大學) in the PRC in July 1998, and a master's degree in business administration from Tsinghua University (清華大學) in the PRC in July 2004, respectively.

Mr. Sun Linghao (孫凌皓) was appointed as our non-executive director in February 2026 and has been serving as a partner at Zhejiang Tsing Song Investment Management Co., Ltd. (浙江清松投資管理有限公司) since December 2025. Prior to that, Mr. Sun served as Managing Director at Matrix China Partners (經緯創投) since 2016, focusing on early-to-mid stage healthcare investments and overseeing investment and portfolio management activities.

Mr. Sun received a bachelor's degree in pharmacology from Fudan University (復旦大學) in the PRC in July 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. He Yong (何勇) was appointed as a Director in January 2026 and was re-designated as our independent non-executive Director in February 2026. Mr. He serves as the executive director and manager of China Insurance Guosheng Group Co., Ltd. (中保國盛集團有限公司) and Haichen (China) Holdings Co., Ltd. (海辰(中國)控股有限公司). Since August 2025, Mr. He has been serving as the chairman of the board of Trustees of the Zhongguancun Sino-US Institute of Precision Medicine (中關村中美精準醫學科技研究院). From November 2012, Mr. He served as executive deputy president of Health Horizon Magazine (《健康大視野》雜誌社). Mr. He holds various social and professional positions, including general secretary of the China Association on Tobacco Control and Health (中國控煙與健康協會) and executive deputy secretary-general of Zhongguancun Precision Medicine Foundation (中關村精準醫學基金會). Mr. He also served at China Chamber of International Commerce (中國國際商會) and chairman of the Beijing Huaxian Entrepreneurs Chamber of Commerce (北京滑縣企業商會).

Mr. He received a bachelor's degree in computer application software from Jilin University (吉林大學) in the PRC in December 2011, and a master's degree in executive business administration from Emlyon Business School in France in September 2020, respectively.

Ms. Chan Yee Man (陳綺文) was appointed as a Director in January 2026 and was re-designated as our independent non-executive Director in February 2026. Ms. Chan has been serving as partner at David Chan & Carmen Chan, Solicitors (陳文泰陳綺文律師事務所) since November 2010 and a director of its nominee company, DCnCC Limited since its incorporation in September 2010. Ms. Chan was admitted as a solicitor in Hong Kong in July 1996 and has about 30 years' experience as a practicing solicitor in Hong Kong. From April 2010 to October 2010, before she jointly founded with other partners the legal partnership David Chan & Carmen Chan, Solicitors, Ms. Chan worked as a consultant at another local law firm in Hong Kong. From April 2009 to April 2010, Ms. Chan worked as a senior government counsel at the Civil Litigation Division of the Department of Justice of the Hong Kong Government. From October 1996 to April 2009, Ms. Chan worked as assistant solicitor and as the salaried partner at several local law firms in Hong Kong. In addition to being a legal practitioner, Ms. Chan has been serving as a part-time lecturer (Non-Clinical) in the Department of Professional Legal Education/Faculty of Law of the University of Hong Kong since March 2009.

Ms. Chan received a bachelor's degree in law and a master's degree in arbitration and dispute resolution from the University of Hong Kong in November 1993 and September 2008, respectively. In addition, Ms. Chan received a master's degree in Chinese and comparative law from the City University of Hong Kong in November 1998. Mr. Chan is qualified to practice law in Hong Kong as a solicitor.

Mr. Yin Wenping (尹文平) was appointed as our independent non-executive Director in May 2026. Mr. Yin has over 20 years of experience in financial management and corporate governance. Since July 2023, he has been serving as the chief financial officer of Shenzhen Lianming Power Supply Co., Ltd. (深圳市聯明電源股份有限公司). From October 2022 to June 2023, he served as the chief financial officer and board secretary of Hunan Kingfuli New Energy Co., Ltd. (湖南金富力新能源股份有限公司). From October 2018 to September 2022, he served as the chief financial officer at Shenzhen Jinyu Semiconductor Co., Ltd. (深圳市金譽半導體股份有限公司). From August 2017 to September 2018, he worked at Feishang Industrial Group Co., Ltd. (飛尚實業集團有限公司). From October 2016 to February 2017, he worked at Shenzhen Zhongjihao Tea Industry Co., Ltd. (深圳市中吉號茶業股份有限公司). From June 2013 to September 2016, he served as the financial director of Dongguan Aohai Technology Co., Ltd. (東莞市奧海科技股份有限公司) (stock code: 002993.SZ). From August 2006 to February 2010, he served at Huatong Paper Products (Shenzhen) Co., Ltd. (華通紙品(深圳)有限公司).

Mr. Yin completed junior college studies in accounting at Hunan University (湖南大學) in the PRC in June 2004. He obtained a bachelor's degree in accounting through online education from Dongbei University of Finance and Economics (東北財經大學) in the PRC in January 2019. Mr. Yin obtained a master's degree in business administration from Shandong University (山東大學) in the PRC in June 2025. Mr. Yin obtained the intermediate accountant qualification issued by the Ministry of Finance of the PRC (中國財政部) in May 2005. He was admitted as a certified public accountant by the Shenzhen Institute of Certified Public Accountants (深圳市註冊會計師協會) in December 2009 and obtained the qualification certificate for board secretary issued by the Shenzhen Stock Exchange (深圳證券交易所) in March 2017.

Further Information of our Directors

Save as disclosed above in this section, none of our Directors has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately prior to the Latest Practicable Date. Save as disclosed above in this section, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date. As of the Latest Practicable Date, save as disclosed in "C. Further Information about our Directors and Substantial Shareholders" in Appendix V, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO. Save as disclosed above in this section, none of our Directors or senior management is related to other Directors or senior management of our Company.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management of our business operations. The table below shows certain information in respect of the senior management members of our Group:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as Senior Management
Mr. Li Zhi (李智)	43	Executive Director, chairman of the Board and CEO	Overall strategic planning, business direction and day-to-day management of our Group	May 2, 2018	May 2, 2018
Ms. Huang Qiong (黄瓊)	56	Executive Director, joint company secretary, chief financing officer and vice president of investment and financing	Engaging with potential investors and supporting the financing activities of our Company	May 10, 2019	October 31, 2022
Dr. Su Jianhua Jerry	64	Chief manufacturing officer	Overall responsible for manufacturing strategies and activities	December 24, 2024	December 24, 2024
Dr. Wu Qiwei	62	Chief technology officer	Overall technology strategy and R&D of technology of the Group	May 9, 2022	May 9, 2022
Dr. Alexander Maximilian Fernandez	57	Chief global operations officer	Overseeing medical strategy and clinical development	February 8, 2022	February 8, 2022

For the biographical details of Mr. Li and Ms. Huang Qiong, please refer to the paragraphs headed "— Directors" in this section.

Dr. Su Jianhua Jerry joined our Group in December 2024. Prior to that, Dr. Su worked as technology consultant at Shanghai Haiyan Pharmaceutical Technology Co., Ltd. (上海海雁醫藥科技有限公司) from April 2024 to December 2024. From January 2020 to February 2024, Dr. Su served as chief technology officer at EpimAb Biotherapeutics Inc. (岸邁生物科技有限公司) and general manager at EpimAb Biotherapeutics (Suzhou) Inc. (岸邁生物科技(蘇州)有限公司). From February 2017 to December 2019, Dr. Su served as chief executive officer at Zhejiang Huahai Biotech Co., Ltd. (浙江華海生物科技有限公司). From June 2015 to January 2017, Dr. Su served as chief executive officer at Suzhou Suncadia Biopharmaceuticals Co., Ltd (蘇州盛迪亞生物醫藥有限公司). From September 2014 to May 2015, Dr. Su served as executive director at an associate company of WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司, a company later

listed on the Stock Exchange (stock code: 2269.HK) in June 2017). From March 2011 to August 2014, Dr. Su served as the operation director at Merck & Co., Inc. in the United States. From June 2010 to February 2011, Dr. Su served as an associate director at Genzyme Corporation in the United States. From January 2000 to May 2010, Dr. Su served as an associate director at Pfizer in the United States.

Dr. Su received a bachelor's degree in chemical engineering from Tianjin University (天津大學) in the PRC in July 1984, a master's degree in biochemical engineering from Beijing University of Chemical Technology (北京化工大學) in the PRC in May 1987, and a Ph.D. degree in chemical engineering from West Virginia University in the United States in December 1995, respectively.

Dr. Wu Qiwei joined our Group in May 2022. Prior to that, Dr. Wu worked as vice president of process development of Elpiscience (Suzhou) Biopharmaceuticals Co., Ltd. (科望(蘇州)生物醫藥科技有限公司) from December 2020 to March 2022. From November 2019 to October 2020, Dr. Wu served as senior science expert and senior vice president of biologics of Suzhou Zelgen Biopharmaceuticals Co., Ltd. (蘇州澤璟生物製藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688266.SH). From August 2017 to November 2019, Dr. Wu served as vice president of product development of Zhuhai Livzon Mab Biological Technology Co., Ltd. (珠海市麗珠單抗生物技術有限公司), a subsidiary of Livzon Pharmaceutical Group Inc. (麗珠醫藥集團股份有限公司) which is listed on the Stock Exchange (stock code: 1513.HK) and the Shenzhen Stock Exchange (stock code: 000513.SZ). From February 2016 to July 2017, he served as vice president of process development of Mabspace Biosciences (Suzhou) Co., Ltd. (邁博斯生物醫藥(蘇州)有限公司) (currently known as Transcenta Holding Limited (蘇州創勝集團醫藥有限公司), a company listed on the Stock Exchange (stock code: 6628.HK)). From October 2012 to December 2015, Dr. Wu served as vice president and head of biologics R&D center of Fujian Haixi Pharmaceuticals Co., Ltd. (福建海西新藥創製股份有限公司), a company listed on the Stock Exchange (stock code: 2637.HK). From March 2010 to September 2012, Dr. Wu served as head of process development at Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司), a company listed on the Stock Exchange (stock code: 2696.HK). From 2004 to 2010, he served as a scientist in protein sciences department and a senior scientist in the process development at Abgenix, Inc. (subsequently acquired by Amgen Inc., a company listed on NASDAQ (symbol: AMGN). From March 2000 to April 2004, he worked as a postdoctoral researcher at Stanford University in the United States.

Dr. Wu received a bachelor's degree in biologics and a master's degree in biochemistry from Xiamen University (廈門大學) in the PRC in July 1985 and in August 1988, respectively. He completed courses as an international post-graduate research student in Microbiology at Osaka University in Japan in September 1994. Dr. Wu received a Ph.D. degree in biology from Simon Fraser University in Canada in February 2002.

Dr. Alexander Maximilian Fernandez joined our Group in February 2022, Prior to that, Dr. Fernandez served as vice president of CDMO division of Cheerland Life Sciences And Technology Investment Co., Ltd. (深圳市樂土生命科技投資有限公司) from July 2021 to December 2021. From September 2018 to June 2021, he served as senior director of Samsung Biologics Co., Ltd. in the Republic of Korea. Prior to that, Dr. Fernandez served as the associate director at Shire Pharmaceuticals Ltd. in the United States and served as senior manager at Baxter International Inc. in the United States, a company listed on the New York Stock Exchange (symbol: BAX), consecutively.

Dr. Fernandez received a Bachelor of Science degree in biochemistry from California State University in the United States in December 1992 and a Ph.D. degree in chemistry from University of California in the United States in December 2000.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules. From time to time our non-executive Directors may serve on the boards of both private and public companies within the CDMO and biologics industry. However, as our non-executive Directors are not members of our executive management team and not involved in the daily operation of our Group, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from such other companies in which our non-executive Directors may hold directorships from time to time.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April and May 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

JOINT COMPANY SECRETARIES

Ms. Huang Qiong (黃瓊) was appointed as our joint company secretary in February 2026. Please refer to "— Board of Directors — Executive Directors" in this section for the biographical details of Ms. Huang.

Ms. Ko Pui Yu (高貝茹) was appointed as our joint company secretary in February 2026. Ms. Ko has 20 years of company secretarial services experience. Ms. Ko is currently a service manager of company secretary at Vistra Corporate Services (HK) Limited (卓佳專業商務服務股份有限公司).

Ms. Ko received a bachelor's degree in business administration from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in November 2015. She is qualified as Chartered Secretary, Corporate Governance Professional, Fellow of The Hong Kong Chartered Governance Institute (HKCGI), and Fellow of The Chartered Governance Institute (CGI).

BOARD COMMITTEES

Our Company has established the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee comprises Mr. Yin Wenping, Ms. Chan Yee Man and Mr. Wang Jianfei. Mr. Yin Wenping, our independent non-executive director, has been appointed as the chairperson of the Audit Committee and is the independent non-executive Director who possesses the appropriate professional accounting and related financial management expertise.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration and Appraisal Committee comprises Mr. He Yong, Mr. Yin Wenping and Ms. Huang Qiong. Mr. He Yong, our independent non-executive director, has been appointed as the chairperson of the Remuneration Committee.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The Nomination Committee comprises Ms. Chan Yee Man, Mr. He Yong and Mr. Li Zhi. Ms. Chan Yee Man, our independent non-executive director, has been appointed as the chairman of the Nomination Committee.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance.

Chairman of the Board and Chief Executive Officer

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and CEO and Mr. Li currently performs these two roles. The Board believes that vesting the roles of both chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and

consider splitting the roles of chairman of the Board and CEO of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Board and Workplace Diversity Policy

We will adopt a Board and workplace diversity policy (the "**Diversity Policy**") prior to the **[REDACTED]** in order to enhance the effectiveness of our Board and maintain high standard of corporate governance. Under the Diversity Policy, the selection of our Board candidates will take into account, among others, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. With respect to gender diversity, we recognize its particular importance and will endeavor to maintain at least one female director on the Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, publicity and marketing, content development, investment and financing, accounting and financial management. They obtained degrees in various majors including chemistry, engineering, business administration and biotechnology. We have three independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board. Our Board Diversity Policy is well implemented as evidenced by the fact that there are both male and female Directors ranging from 36 years old to 56 years old with different backgrounds and experiences.

The Nomination Committee is responsible for reviewing the diversity of the Board. After **[REDACTED]**, the Nomination Committee will monitor and evaluate the implementation of the Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Diversity Policy, including any measurable objectives set for implementing the Diversity Policy and the progress on achieving these objectives.

Apart from diversity within our Board, we recognize the importance of gender diversity, which we have taken, and will continue to take, steps to promote at all levels of our Company, including at the Board, senior management and workforce levels. Going forward, in accordance with the Diversity Policy, we will continue to work to enhance gender diversity when selecting and recommending suitable candidates across the Board, senior management and workforce levels. We will strive to enhance female representation within the Company and achieve an appropriately balanced gender ratio with reference to stakeholders' expectations and international standards and best practices. In particular, we aim to develop a pipeline of female employees to progress senior management and become potential successors to the Board by implementing comprehensive programs to identify and train our female employees with leadership potential.

DIRECTOR'S REMUNERATION

Our Directors and senior management receive remuneration, including salaries, allowances and benefits in kind, including our contribution to the pension plan on their behalf. The aggregate amount of remuneration (including basic salaries, discretionary bonus), director fees and Retirement benefit scheme contributions for our Directors for the years ended December 31, 2023, 2024 and 2025, was approximately RMB4.12 million, RMB4.17 million and RMB4.20 million, respectively. None of our Directors waived any remuneration during the aforesaid periods.

Under the arrangement currently in force, we estimate the total remuneration before taxation (excluding any possible payment of discretionary bonus and share-based compensation expenses) to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB3.97 million. The actual remuneration of Directors for 2026 may be different from the expected remuneration.

For the years ended December 31, 2023, 2024 and 2025, the five highest paid individuals of our Group included one, one and one director, respectively, whose remunerations are included in the aggregate amount of fees, salaries, allowances, discretionary bonus, pension scheme contributions paid and benefits in kind granted to the relevant Directors set out above. For the three years ended December 31, 2023, 2024 and 2025, the aggregate amount of salaries and other benefits, retirement benefit scheme contributions and discretionary bonuses granted to the remaining four, four and four highest paid individuals who are not our Directors were approximately RMB7.25 million, RMB6.78 million and RMB7.22 million, respectively. For further details on the remuneration of the five highest paid individuals during the Track Record Period, see Note 14 of the Accountants' Report in Appendix I to this document.

Save as disclosed, during the Track Record Period, no other payments have been paid or are payable by our Company to our Directors or senior management.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

COMPLIANCE ADVISOR

We have appointed Rainbow Capital (HK) Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable laws and regulations.

The term of appointment of our Compliance Advisor will commence on the **[REDACTED]** and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future business plans.

USE OF [REDACTED]

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

We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

(i) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be allocated to fund the construction of two additional drug substance manufacturing facilities at our Changshu site, each with an annual production capacity of 960,000 L. Upon completion, these facilities are expected to comply with applicable regulatory requirements of the NMPA, EMA and FDA. Specifically:

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support our construction of a new 8 × 6,000 L drug substance module. The planned gross floor area of this facility is approximately 3,500 square meters. We will carry out fit-out works and install equipment such as 6,000 L stainless steel bioreactors, shakers, biosafety cabinets, in-line buffer preparation systems, continuous-flow centrifuges, chromatography systems, chromatography columns, ultrafiltration systems and a CIP station. We plan to commence construction in June 2027 and complete it in September 2028. Upon completion, the facility is expected to provide a production capacity of 6,000 L per batch and 960,000 L per year.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support our construction of another 8 × 6,000 L drug substance module with the same configuration and the same expected production capacity as the above facility. The planned gross floor area of this facility is approximately 3,700 square meters. We plan to commence construction in June 2027 and complete it in September 2028.

As our existing major manufacturing lines are already operating at near-full utilization and are expected to be fully utilized by the fourth quarter of 2028 based on current utilization and PPQ project onboarding progress, our existing facilities are expected to be insufficient to meet the anticipated demand from a growing number of late-stage and commercial projects. Together, these two facilities are expected to provide additional manufacturing capacity and greater production scheduling flexibility to support multiple late-stage and commercial projects in parallel.

(ii) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be allocated to fund the construction of two dedicated facilities for ADC production at our Changshu site. Upon completion, these facilities are expected to comply with applicable regulatory requirements of the NMPA, EMA and FDA. Specifically:

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support our construction of an ADC formulation facility. The planned gross floor area of this facility is approximately 1,800 square meters. We will carry out fit-out works and install equipment such as washers, sterilizers, an isolator-based filling line, lyophilizers and a CIP station. We plan to commence construction in September 2027 and complete it in September 2028. Upon completion, the facility is expected to provide an annual production capacity of approximately 9.6 million vials (2R).

  This facility is expected to establish additional ADC drug product manufacturing capacity to support the growing number of ADC projects. It is expected to serve ADC projects which are anticipated to enter PPQ or commercial-stage within approximately two years, for which capacity build-out in advance is required.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support our construction of an ADC conjugation facility. The planned gross floor area of this facility is approximately 1,400 square meters. We will carry out fit-out works and install equipment such as conjugation systems, negative-pressure weighing isolators, glass reactors, chromatography columns, chromatography systems, single-use mixing systems and ultrafiltration systems. We plan to commence construction in January 2028 and complete it in December 2028. Upon completion, the facility is expected to provide a production capacity of 10 kilograms per batch and 1 ton per year.

  This facility is expected to enhance our ADC conjugation capability as part of our ADC capacity expansion plan and, together with the ADC formulation facility, enhance our ability to provide more integrated ADC manufacturing services.

(iii) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to fund the construction of new biologics development facilities at our Changshu site. Specifically:

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support the construction of a process development laboratory. The planned gross floor area of this laboratory is approximately 4,158 square meters. We will carry out fit-out works and install equipment such as bioreactors, shakers, biosafety cabinets, buffer preparation systems, centrifuges, protein purification systems, CO_2 incubators, sterile tube welders, sterile tube sealers, cell viability analyzers and high-speed refrigerated centrifuges. We plan to commence construction in June 2027 and complete it in June 2028.

  This facility is expected to enhance our process development capabilities, alleviate existing laboratory space constraints and enhance our ability to support future late-stage and commercial projects with increased process characterization workload.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support the construction of an analytical development and testing laboratory. The planned gross floor area of this laboratory is approximately 3,658 square meters. We will carry out fit-out works and install equipment such as high-performance liquid chromatography systems, gas chromatography systems, microplate readers,

infrared spectrophotometers, capillary electrophoresis instruments, biomacromolecule analyzers, cell counters and blood gas analyzers. We plan to commence construction in January 2028 and complete it in December 2028.

This facility is expected to expand our analytical characterization testing and QC testing capacity in response to the growing number of projects and the resulting increase in material batches and testing categories.

(iv) Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to fund the construction of an AI data center at our Changshu site to support AI applications across our business. The planned gross floor area of this facility is approximately 200 square meters. We will carry out server room construction and install equipment and systems such as additional GPU computing servers, network equipment, storage equipment and systems, security equipment, software platforms and other supporting facilities. Upon completion, the facility is expected to provide peak computing power of approximately 1 to 2 PFLOPS, support inference for 7B to 1TB models, and enable AI applications such as enterprise retrieval augmented generation and intelligent agents. We plan to commence construction in June 2027 and complete it in June 2028.

This facility is expected to support the application of AI technologies across our research and development, manufacturing and operations. It is expected to facilitate antibody developability assessment and culture medium formulation optimization, support modeling and prediction of process parameters for cell culture, purification and formulation, and help integrate data across different business functions to improve operational efficiency. Local deployment of AI infrastructure at our Changshu site is also expected to enhance data security and governance, and reduce the risk of external data leakage.

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

The above allocation of the **[REDACTED]** from the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed at a higher or lower level compared to the mid-point of the **[REDACTED]** stated in this document. If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, being the high end of the **[REDACTED]**, the **[REDACTED]** from the **[REDACTED]** will increase by approximately HK$**[REDACTED]** million. If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, being the low end of the **[REDACTED]**, the **[REDACTED]** from the **[REDACTED]** will decrease by approximately HK$**[REDACTED]** million.

If the **[REDACTED]** is exercised in full, the net **[REDACTED]** that we will receive will be approximately HK$**[REDACTED]** million, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of the **[REDACTED]**. In the event that the **[REDACTED]** is exercised in full, we intend to apply the additional net **[REDACTED]** to the above purposes in the proportions stated above.

To the extent that the net **[REDACTED]** from the **[REDACTED]** are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only deposit the net **[REDACTED]** in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions, as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions. We will issue an appropriate announcement if there is any material change to the above proposed use of **[REDACTED]**.

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The following is the text of a report set out on pages I-1 to I-92, received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[to insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF INTELLECTIVE BIOLOGICS (SUZHOU) CO., LTD. AND DONGXING SECURITIES (HONG KONG) CO., LTD.

Introduction

We report on the historical financial information of Intellective Biologics (Suzhou) Co., Ltd.* ("智享生物(蘇州)股份有限公司") (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-92, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-92 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and

* *English name is for identification purpose only.*

plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at December 31, 2023, 2024 and 2025, of the Company's financial position as at December 31, 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 16 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[●]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	6	454,983	433,304	484,170
Cost of sales		(488,811)	(498,574)	(502,852)
Gross loss		(33,828)	(65,270)	(18,682)
Other income	8	12,908	8,803	19,558
Other gains and losses, net	9	2,708	2,921	30,169
Research and development expenses		(57,859)	(37,102)	(45,915)
Administrative expenses		(57,439)	(36,086)	(35,462)
Selling expenses		(13,534)	(12,689)	(15,476)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items	10	(8,276)	(10,804)	(9,928)
Finance costs	11	(110,624)	(139,105)	(139,722)
Share of results of an associate		–	–*	–*
Gain (loss) on disposal of a subsidiary	44	95,797	(3,803)	–
Loss before tax	12	(170,147)	(293,135)	(215,458)
Income tax credit	13	2,335	2,256	–
Loss and total comprehensive expense for the year		(167,812)	(290,879)	(215,458)
Loss per share				
– Basic and diluted (RMB yuan)	15	(1.05)	(1.81)	(1.28)

* *Amount below RMB1,000*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	17	1,340,059	1,476,662	1,479,095
Right-of-use assets	18	56,009	45,627	41,949
Intangible assets	19	7,657	15,358	14,153
Prepayments and other receivables	24	150,896	76,808	68,302
Interests in an associate	20	–	900	900
Contract costs	26	36,621	39,235	37,458
Deferred tax assets	13	1,284	–	–
		1,592,526	1,654,590	1,641,857
Current assets				
Trade receivables	23	162,982	217,413	232,113
Prepayments and other receivables	24	124,430	158,468	137,747
Inventories	22	97,491	122,109	132,830
Contract assets	25	59,119	117,417	151,709
Contract costs	26	112,246	57,923	94,504
Financial assets at fair value through profit or loss ("FVTPL")	27	55,042	103,225	52,707
Restricted bank deposits	28	–	145,540	2,177
Cash and cash equivalents	28	269,118	242,009	556,772
		880,428	1,164,104	1,360,559
Current liabilities				
Trade and other payables	29	426,454	298,280	309,243
Contract liabilities	30	113,122	105,936	193,177
Borrowings	31	518,893	521,159	538,137
Redemption liabilities	32	1,028,229	1,454,076	1,552,556
Lease liabilities	33	9,630	9,488	7,507
Deferred income	34	949	1,949	1,949
		2,097,277	2,390,888	2,602,569
Net current liabilities		(1,216,849)	(1,226,784)	(1,242,010)
Total assets less current liabilities		375,677	427,806	399,847

	NOTES	As at December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current liabilities				
Trade and other payables	29	72	20,234	18,068
Borrowings	31	601,250	925,544	1,118,958
Lease liabilities	33	37,339	27,923	21,167
Deferred income	34	4,507	12,475	10,526
		643,168	986,176	1,168,719
Net liabilities		(267,491)	(558,370)	(768,872)
Capital and reserves				
Paid-in capital	35	24,363	26,125	31,081
Reserves		(291,854)	(584,495)	(799,953)
Total deficit		(267,491)	(558,370)	(768,872)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	17	104,936	1,291,264	1,332,163
Right-of-use assets	18	5,363	16,189	41,949
Intangible assets	19	6,775	15,335	14,133
Prepayments and other receivables	24	74,964	75,034	67,971
Interests in subsidiaries	21	452,907	–	–
Interests in an associate	20	–	900	900
Contract costs	26	37,260	35,188	34,741
		682,205	1,433,910	1,491,857
Current assets				
Trade receivables	23	157,130	215,346	229,766
Prepayments and other receivables	24	83,369	155,878	131,979
Amounts due from subsidiaries	38(i)	26,954	825	12,015
Inventories	22	87,124	122,709	132,848
Contract assets	25	59,108	117,417	149,282
Contract costs	26	105,411	60,311	84,842
Financial assets at FVTPL	27	15,004	103,225	52,707
Restricted bank deposits	28	–	145,540	2,177
Cash and cash equivalents	28	168,670	236,768	524,259
		702,770	1,158,019	1,319,875
Current liabilities				
Trade and other payables	29	93,266	289,909	294,808
Contract liabilities	30	108,854	102,867	163,363
Amounts due to subsidiaries	38(i)	104,826	825	16,876
Borrowings	31	279,076	340,043	384,096
Redemption liabilities	32	1,028,229	1,454,076	1,552,556
Lease liabilities	33	2,894	2,932	7,507
Deferred income	34	949	1,949	1,949
		1,618,094	2,192,601	2,421,155
Net current liabilities		(915,324)	(1,034,582)	(1,101,280)
Total assets less current liabilities		(233,119)	399,328	390,577

	NOTES	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Trade and other payables	29	72	20,234	18,068
Borrowings	31	–	925,544	1,118,958
Lease liabilities	33	2,860	–	21,167
Deferred income	34	4,507	12,475	10,526
		7,439	958,253	1,168,719
Net liabilities		(240,558)	(558,925)	(778,142)
Capital and reserves				
Paid-in capital	35	24,363	26,125	31,081
Reserves	36	(264,921)	(585,050)	(809,223)
Total deficit		(240,558)	(558,925)	(778,142)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Capital reserve	Other reserve *(Note)*	PRC statutory reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	23,952	809,627	(818,000)	5,769	(121,027)	(99,679)
Loss and total comprehensive expense for the year	–	–	–	–	(167,812)	(167,812)
Capital contributions	411	77,589	–	–	–	78,000
Recognition of redemption liabilities	–	–	(78,000)	–	–	(78,000)
As at December 31, 2023	24,363	887,216	(896,000)	5,769	(288,839)	(267,491)
Loss and total comprehensive expense for the year	–	–	–	–	(290,879)	(290,879)
Capital contributions	1,762	333,238	–	–	–	335,000
Recognition of redemption liabilities	–	–	(335,000)	–	–	(335,000)
As at December 31, 2024	26,125	1,220,454	(1,231,000)	5,769	(579,718)	(558,370)
Loss and total comprehensive expense for the year	–	–	–	–	(215,458)	(215,458)
Capital contributions	4,956	–	–	–	–	4,956
As at December 31, 2025	31,081	1,220,454	(1,231,000)	5,769	(795,176)	(768,872)

Note: The other reserve is related to the recognition of redemption liabilities on ordinary shares as disclosed in Note 32 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Loss before tax	(170,147)	(293,135)	(215,458)
Adjustments for:			
Finance costs	110,624	139,105	139,722
Interest income	(2,707)	(6,241)	(4,619)
Depreciation of property, plant and equipment	95,639	114,963	120,112
Depreciation of right-of-use assets	14,623	10,219	9,932
Amortisation of intangible assets	648	1,313	1,797
Amortisation of deferred income	(949)	(1,032)	(1,949)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items	8,276	10,804	9,928
Gain on fair value changes of financial assets at FVTPL	(3,054)	(2,386)	(30,792)
Loss (gain) on early termination of leases	186	–	(5,508)
Write down of inventories	2,938	1,926	3,203
Impairment of contract costs	1,650	3,162	6,447
Loss (gain) on disposal of property, plant and equipment	1,730	(678)	3,251
(Gain) loss on disposal of a subsidiary	(95,797)	3,803	–
Operating cash flow before movements in working capital	(36,340)	(18,177)	36,066
Increase in trade receivables	(102,434)	(61,761)	(24,218)
Increase in prepayments and other receivables	(18,209)	(80,730)	(15,543)
Increase in contract assets	(19,502)	(61,774)	(34,702)
Decrease (increase) in inventories	132,378	(26,959)	(13,924)
(Increase) decrease in contract costs	(53,983)	48,547	(41,251)
Increase (decrease) in trade and other payables	85,789	96,037	81,070
Increase (decrease) in contract liabilities	23,440	(7,186)	87,241
NET CASH FROM (USED IN) OPERATING ACTIVITIES	11,139	(112,003)	74,739

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
INVESTING ACTIVITIES			
Interest received	2,707	3,986	2,069
Withdrawal of restricted bank deposits	–	–	143,363
Placement of restricted bank deposits	–	(145,540)	–
Refunds of lease deposits	876	–	–
Receive government grants related to assets	40,000	15,000	–
Purchase of property, plant and equipment	(258,124)	(412,204)	(195,218)
Proceeds on disposal of property, plant and equipment	701	2,973	7,527
Purchase of intangible assets	(3,071)	(9,095)	(592)
Consideration received on disposal of subsidiaries	27,939	51,998	38,750
Purchases of financial assets at FVTPL	(951,000)	(1,475,799)	(1,421,902)
Equity investment at FVTPL	–	(23,000)	–
Proceeds from disposal of financial assets at FVTPL	999,178	1,453,003	1,503,212
Capital injection to an associate	–	(900)	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(140,794)	(539,578)	77,209
FINANCING ACTIVITIES			
Interest paid	(47,071)	(47,208)	(52,242)
Receipts arising from net settlement of government loan interest subsidy	–	1,527	13,829
Borrowings raised	456,782	1,352,930	705,200
Repayments of borrowings	(276,034)	(1,004,257)	(494,938)
Repayments of lease liabilities	(11,863)	(9,391)	(9,483)
Capital injection from shareholders	78,000	335,000	–
Capital injection from ultimate controlling shareholder	–	–	4,956
Borrowing arrangement fee paid	(1,434)	(4,129)	(4,507)
NET CASH FROM FINANCING ACTIVITIES	198,380	624,472	162,815
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	68,725	(27,109)	314,763
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	200,393	269,118	242,009
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	269,118	242,009	556,772

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") on April 27, 2018 as a limited liability company. On January 21, 2026, the Company was converted to a joint stock company with limited liability under the Company Law of the PRC. The respective address of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" to the Document. Its ultimate controlling party is Mr. Li Zhi, who is also the executive director of the Company.

The principal activity of the Company and its subsidiaries (together, the "Group") is to provide biologics contract development and manufacturing organisation (the "CDMO") services.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards issued by the IASB. Further details of the material accounting policy information are set out in note 4.

In preparing the Historical Financial Information, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that as at December 31, 2025, it carried a net current liabilities of approximately RMB1,242,010,000, a total deficits of approximately RMB768,872,000, primarily due to the redemption liabilities of RMB1,552,556,000 arising from the redemption feature attached in the investors' shares as disclosed in Note 32 to the Historical Financial Information. Pursuant to a supplemental agreement of the shareholders agreement (the "Supplemental Agreement") entered into by the Company with preferential rights investors of the Company in December 2025, the redemption rights have ceased to be effective from the date on which the first submission of **[REDACTED]** for an **[REDACTED]** of shares of the Company on the Main Board of the Stock Exchange (the "**[REDACTED]**") and shall be automatically resumed upon the occurrence of the earliest of the events disclosed in Note 32.

All the preferential rights shall be automatically terminated upon the completion of the **[REDACTED]**. The directors of the Company, taking into the account of their plan and progress of the **[REDACTED]** and the likelihood of the occurrence of these events, are of the opinion that the Company does not expect to settle the redemption liabilities in next twelve months from the date of this report.

The directors of the Company have also reviewed the Group's cash flows projections prepared by the management of the Company and they are of the opinion that the Group will have sufficient working capital to fund its operations and to meet its financial obligations as and when they fall due within twelve months from the date of this report. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The statutory financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with Chinese Accounting Standards for Business Enterprises ("CASBE") issued by the Ministry of Finance of the PRC and were audited by Suzhou Wanlong Yongding Certified Public Accountants Co., Ltd.* (蘇州萬隆永鼎會計師事務所有限公司), a certified public accountant registered in the PRC.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

* *English name is for identification purpose only.*

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature - dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined
[2] Effective for annual periods beginning on or after January 1, 2026
[3] Effective for annual periods beginning on or after January 1, 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements* ("IAS 1"). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18)* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings Per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards).

Interests in subsidiaries

Investments in subsidiaries are included in the statement of financial position of the Company accounted using equity method as described in IAS 28 *Investments in Associates and Joint Ventures*. Under the equity method, investment in subsidiaries is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. Dividends received reduce the carrying amount of the investment.

Interests in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.*

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 6, 25 and 26.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to properties, machinery and equipment premise that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities; and

- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the risk-free rate based on government bond rates, a country-specific risk adjustment and a credit risk adjustment based on bond yields.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 *Revenue from Contracts with Customers* to assess whether sale and leaseback transaction constitutes a sale by the Group.

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which there are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Share-based payment

Equity-settled share-based payment transactions

Share options and restricted shares granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to capital reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to capital reserve.

When restricted shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to capital reserve.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting

conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Owned properties and leasehold improvements in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs capitalised for qualifying assets in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Impairment on property, plant and equipment, right-of-use assets, contract costs and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating units or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets held by the Group are subsequently measured at FVTPL.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets (including trade receivables, prepayments and other receivables, amounts due from subsidiaries, cash and cash equivalents and restricted bank deposits) and other items (contract assets and financial guarantee contracts) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after each reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group estimates ECL on financial assets and other items based on individually assessment and taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for financial guarantee contracts, the Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item (Note 9) as part of the net foreign exchange gains(losses).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities held by the Group are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to subsidiaries, borrowings and redemption liabilities are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of: the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses, net' line item in profit or loss (Note 9) as part of net foreign exchange gain (loss).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of property, plant and equipment, intangible assets and right-of-use assets

Property, plant and equipment, intangible assets and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties due to uncertainty on how the financial or commodity markets may progress and evolve.

As at December 31, 2023, 2024 and 2025, the aggregation carrying amounts of property, plant and equipment, intangible assets and right-of-use assets subject to impairment assessment were RMB1,403,725,000, RMB1,537,647,000 and RMB1,535,197,000 respectively. No impairment losses have been recognised in respect of property, plant and equipment, intangible assets or right-of-use assets.

Provision of ECL for trade receivables and contract assets

The Group recognises a loss allowance for ECL on financial assets including trade receivables and contract assets which are subject to impairment under IFRS 9. Trade receivables and contract assets are assessed for ECL individually. The Group uses the probability of default approach to calculate ECLs for trade receivables. The probability of default approach is initially based on the Group's estimates on the probability of default and the loss given default, adjusted for factors of general economic conditions. The probability of default and loss given default are estimated based on historical information, external analysis report and general economic conditions.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and contract assets and the ECL are disclosed in Note 40.

Deferred tax asset

As at December 31, 2023, 2024 and 2025, a deferred tax asset of RMB44,955,000, RMB35,138,000 and RMB30,413,000 respectively in relation to unused tax losses and deductible temporary differences for the Group has been recognised in the consolidated statement of financial position. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Type of business lines			
CDMO services	419,114	424,701	481,862
Others	35,869	8,603	2,308
	454,983	433,304	484,170
Timing of revenue recognition			
A point in time	454,983	433,304	484,170

(ii) Performance obligations for contracts with customers and revenue recognition policies

CDMO services

CDMO services the Group provided to customers mainly comprised tech transfer, scale-up, process characterisation and validation, comprehensive quality systems compliant with global standards and commercial-scale manufacturing. Revenue generated from CDMO services is derived from the delivery of services and/or goods through contracts under fee-for-service basis.

CDMO services contracts entered by the Group include multiple deliverable units. Usually, each deliverable unit is distinct and recognised as a single performance obligation as customers can benefit from each of the deliverable units. These deliverables typically consist of technical laboratory reports, samples and/or products for commercial-scale manufacturing.

For contracts that contain multiple performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis. The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. The Group estimates the amount of consideration that is variable using the most likely amount method. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group has assessed that the customers cannot simultaneously receive and consume benefit provided by the Group's performances. The Group's performance does not create an asset with alternative future use since the Group cannot redirect the asset for use on another customer, and at the same time the Group has a present right to payment from the customers for services performed only upon acceptance of the deliverable units by the customers. Revenue is recognised at a point in time when control of the distinct services or products transfers to the customer, namely upon acceptance of the deliverable units by the customers.

The Group's service contracts normally include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 10% to 20% of total contract sum as part of its credit risk management policies. A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Others

Others mainly represents sales of other biologics supplies. Revenue from sale of other biologics supplies is recognised at a point in time upon the customers' acceptance.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) for contracts as at December 31, 2023, 2024 and 2025 and the expected timing of recognising revenue are as follows:

CDMO services

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	325,353	322,229	491,932
More than one year	500,266	446,859	888,086
	825,619	769,088	1,380,018

Since the timing of the CDMO services to be performed are not subject to contract terms, the above information was based on management's estimate as at December 31, 2023, 2024 and 2025, and the actual timing of revenue recognition may change, depending on the actual progress of contract execution.

All other products and services provided by the Group are for a period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. SEGMENTS INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis of all business lines and products as a whole. No other discrete financial information is provided to the chief operating decision maker (the "CODM") for review other than the Group's results and financial position as a whole. Accordingly, the CODM has identified one operating and reporting segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

Geographical information

All revenue was generated in the PRC during the Track Record Period. The Group's non-current assets are all located in the PRC.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the Track Record Period are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	114,939	N/A *(note)*	N/A *(note)*
Customer B	N/A *(note)*	N/A *(note)*	162,434

Note: The corresponding revenue did not contribute over 10% of the revenue of the Group for the respective reporting period.

8. OTHER INCOME

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(Note)*	8,985	2,228	14,939
Interest income on bank balances and restricted bank deposits	2,707	3,653	2,069
Interest income on consideration receivables	–	2,588	2,550
Others	1,216	334	–
	12,908	8,803	19,558

Note: The government grants including unconditional and conditional which had been approved by the PRC government authorities. The unconditional government grants mainly accounted for enterprise development supports received from PRC government authorities, which are recognised when payments received. The conditional government grants are subsidies granted by the PRC government authorities as incentives mainly for the Group's research and development activities and construction of the projects, which are recognised when condition met and the corresponding grants received.

During the years ended December 31, 2023, 2024 and 2025, the Group received government subsidies of approximately RMB40,000,000, RMB15,000,000 and nil, respectively, as to subsidise the construction of the projects of the Group. The amount has been treated as deferred income and is transferred to income over the useful lives of relevant plant and machineries when condition met.

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange gain (loss)	1,799	212	(893)
Gain on fair value changes of financial assets at FVTPL	3,054	2,386	30,792
(Loss) gain on early termination of leases	(186)	–	5,508
(Loss) gain on disposal of property, plant and equipment	(1,730)	678	(3,251)
Others	(229)	(355)	(1,987)
	2,708	2,921	30,169

10. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS) ON FINANCIAL ASSETS AND OTHER ITEMS

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses (recognised) reversed on financial assets and other items:			
– trade receivables	(6,501)	(7,328)	(9,518)
– contract assets	(1,775)	(3,476)	(410)
	(8,276)	(10,804)	(9,928)

11. FINANCE COSTS

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest on redemption liabilities	69,940	90,847	98,480
Interest on borrowings	44,266	46,408	39,983
Interest on lease liabilities	2,795	1,850	1,259
	117,001	139,105	139,722
Less: capitalised in property, plant and equipment	(6,377)	–	–
	110,624	139,105	139,722

12. LOSS BEFORE TAX

Loss before tax for the year has been arrived at after charging (crediting):

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation of property, plant and equipment	95,639	114,963	120,112
Depreciation of right-of-use assets	14,623	10,219	9,932
Amortisation of intangible assets	648	1,313	1,797
Total depreciation and amortisation	110,910	126,495	131,841
Add: change in depreciation capitalised to inventories and contract costs	(10,862)	5,783	(8,512)
	100,048	132,278	123,329
Auditors' remuneration	1,041	753	678
Research and development costs recognised as an expense	57,859	37,102	45,915
Contract costs recognised as an expense	265,209	219,897	225,214
Cost of inventories recognised as expense	159,407	172,698	200,359
	424,616	392,595	425,573
Write down of inventories	2,938	1,926	3,203
Impairment on contract costs	1,650	3,162	6,447
	4,588	5,088	9,650
Directors' and supervisors' emoluments *(Note 14(a))*	4,118	4,170	4,196
Other staff costs:			
– salaries and other benefits	146,335	138,872	153,555
– discretionary bonus *(Note)*	17,458	13,257	17,477
– retirement benefit scheme contributions	11,621	9,815	10,731
Total staff costs (including directors' and supervisors' emoluments)	179,532	166,114	185,959
Less: amounts capitalised in inventories and contract costs	(117,722)	(114,483)	(144,158)
	61,810	51,631	41,801

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

13. INCOME TAX CREDIT

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current Tax:			
PRC Enterprise Income Tax	–	–	–
Hong Kong	–	–	–
	–	–	–
Deferred tax – current year	(2,335)	(2,256)	–
	(2,335)	(2,256)	–

(i) Income tax credit:

The Company was accredited as a "High and New Technology Enterprises" by the relevant authorities on November 30, 2021 and renewed on November 30, 2024. As a result it eligible to benefit from a Preferential Enterprise Income Tax (EIT) rate of 15% for a three-year period commencing from the year of accreditation, subject to compliance with applicable conditions and ongoing requirements. Accordingly, the applicable EIT rate for the Company during the track record period was 15%.

Pursuant to Caishui 2023 circular No. 7, the Company enjoyed super deduction of 200% on qualified research and development expenditures for the Track Record Period.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, tax rate of the other PRC subsidiaries of the Company is 25% for the Track Record Period.

Intellective Bio (Hong Kong) Limited, a wholly-owned subsidiary of the Company, is subject to Hong Kong Profits Tax rate of 8.25% for the Track Record Period. No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable income subjected to Hong Kong Profits Tax.

The income tax credits for the Track Record Period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive expenses as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(170,147)	(293,135)	(215,458)
PRC income tax rate at 25%	(42,537)	(73,284)	(53,865)
Tax effect of expenses that are not deductible for tax purpose	17,925	24,598	25,149
Tax effect of super deduction on research and development expenses	(8,456)	(8,706)	(10,514)
Tax effect of tax losses not recognised	23,455	32,345	37,301
Tax effect of deductible temporary differences not recognised	14,337	37,350	16,983
Utilisation of tax losses previously not recognised	(7,059)	(885)	–
Utilisation of deductible temporary differences previously not recognised	–	(13,674)	(15,054)
Total income tax credit	(2,335)	(2,256)	–

(ii) Deferred taxation:

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same legal entity and fiscal authority. The following is the analysis of the deferred tax balances for financial reporting purposes:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	44,955	35,138	30,413
Deferred tax liabilities	(43,671)	(35,138)	(30,413)
	1,284	–	–

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	23,354	18,511	30,413
Deferred tax liabilities	(23,354)	(18,511)	(30,413)
	–	–	–

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the Track Record Period:

The Group

	Accelerated tax depreciation	Right-of-use assets	Lease liabilities	Unused tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount						
As at January 1, 2023	(28,177)	(13,396)	13,491	5,411	23,347	676
(Charge) credit to profit or loss	(4,924)	2,844	(2,883)	10,714	(3,416)	2,335
Disposals of a subsidiary	–	–	–	–	(1,727)	(1,727)
As at December 31, 2023	(33,101)	(10,552)	10,608	16,125	18,204	1,284
Credit (charge) to profit or loss	6,051	2,522	(2,533)	10,939	(14,723)	2,256
Disposals of a subsidiary	–	–	–	–	(3,540)	(3,540)
As at December 31, 2024	(27,050)	(8,030)	8,075	27,064	(59)	–
Credit (charge) to profit or loss	3,877	846	(906)	(3,819)	2	–
As at December 31, 2025	(23,173)	(7,184)	7,169	23,245	(57)	–

The Company

	Accelerated tax depreciation	Right-of-use assets	Lease liabilities	Unused tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount						
As at January 1, 2023	(24,167)	(2,278)	2,375	864	23,206	–
Credit (charge) to profit or loss	2,161	937	(970)	2,962	(5,090)	–
As at December 31, 2023	(22,006)	(1,341)	1,405	3,826	18,116	–
Credit (charge) to profit or loss	4,224	670	(690)	13,970	(18,174)	–
As at December 31, 2024	(17,782)	(671)	715	17,796	(58)	–
(Charge) credit to profit or loss	(5,391)	(6,513)	6,454	5,449	1	–
As at December 31, 2025	(23,173)	(7,184)	7,169	23,245	(57)	–

As at December 31, 2023, 2024 and 2025, the Group and the Company had deductible temporary differences of RMB115,843,000, RMB210,547,000, RMB218,263,000 and RMB20,838,000, RMB170,237,000, RMB325,147,000. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As at December 31, 2023, 2024 and 2025, the Group had unused tax losses of RMB314,560,000, RMB484,156,000 and RMB618,084,000 respectively, available to offset against future profits. Deferred tax assets have been recognised in respect of the tax losses of RMB64,500,000, RMB108,256,000 and RMB92,980,000 as at December 31, 2023, 2024 and 2025 respectively.

For unrecognised tax losses of RMB250,060,000, RMB375,900,000 and RMB525,104,000 as at December 31, 2023, 2024 and 2025 respectively, pursuant to the relevant laws and regulations in the PRC and Hong Kong, these tax losses will be carried forward and expired in years as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
2027	148,312	148,312	148,312
2028	43,664	43,664	43,664
2029	–	66,324	66,324
2030	–	–	53,272
2031	–	–	–
2032	36,164	36,164	36,164
2033	21,920	21,920	21,920
2034	–	59,516	59,516
2035	–	–	95,727
Indefinite	–	–	205
	250,060	375,900	525,104

14. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments paid or payable to the individuals who were appointed as directors, supervisors and the chief executive officer of the Company during the Track Record Period are as follows:

(a) Directors and supervisors and chief executive officer

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses *(Note (iii))*	Retirement benefit scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2023						
Chief executive officer:						
Mr. Li Zhi (iv)	November 28, 2018	–	772	60	46	878
Executive directors:						
Mr. Zhuge Xin	November 27, 2020	–	769	199	46	1,014
Mr. Liang Kexue	November 27, 2020	–	657	276	46	979
Ms. Huang Qiong	July 12, 2021	–	772	108	46	926
Mr. Zhang Chuanlin (v)	July 12, 2021	–	127	–	7	134

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses *(Note (iii))*	Retirement benefit scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:						
Mr. Yang Hongbing (vi)	February 21, 2023	–	–	–	–	–
Mr. Li Jing (vii)	February 21, 2023	–	–	–	–	–
Mr. Wang Jianfei (viii)	November 27, 2020	–	–	–	–	–
Mr. Cao Jian (ix)	July 12, 2021	–	–	–	–	–
Supervisors:						
Ms. Cheng Shuhui (xi)	August 21, 2020	–	152	25	10	187
Mr. Zhuang Qinggang (xii)	February 21, 2023	–	–	–	–	–
		–	3,249	668	201	4,118

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses *(Note (iii))*	Retirement benefit scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2024						
Chief executive officer:						
Mr. Li Zhi (iv)	November 28, 2018	–	820	60	46	926
Executive directors:						
Mr. Zhuge Xin	November 27, 2020	–	798	144	46	988
Mr. Liang Kexue	November 27, 2020	–	773	238	46	1,057
Ms. Huang Qiong	July 12, 2021	–	792	139	46	977
Non-executive directors:						
Mr. Yang Hongbing (vi)	February 21, 2023	–	–	–	–	–
Mr. Li Jing (vii)	February 21, 2023	–	–	–	–	–
Mr. Wang Jianfei (viii)	November 27, 2020	–	–	–	–	–
Mr. Wu Yufeng (x)	February 1, 2024	–	–	–	–	–
Supervisors:						
Ms. Cheng Shuhui (xi)	August 21, 2020	–	182	29	11	222
Mr. Zhuang Qinggang (xii)	February 21, 2023	–	–	–	–	–
		–	3,365	610	195	4,170

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses *(Note (iii))*	Retirement benefit scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2025						
Chief executive officer:						
Mr. Li Zhi (iv)	November 28, 2018	–	781	60	47	888
Executive directors:						
Mr. Zhuge Xin	November 27, 2020	–	782	354	47	1,183
Mr. Liang Kexue	November 27, 2020	–	705	237	47	989
Ms. Huang Qiong	July 12, 2021	–	794	216	47	1,057
Non-executive directors:						
Mr. Li Jing (vii)	February 21, 2023	–	–	–	–	–
Mr. Wang Jianfei (viii)	November 27, 2020	–	–	–	–	–
Mr. Wu Yufeng (x)	February 1, 2024	–	–	–	–	–
Supervisors:						
Ms. Cheng Shuhui (xi)	August 21, 2020	–	74	–	5	79
Mr. Zhuang Qinggang (xii)	February 21, 2023	–	–	–	–	–
Mr. Li Xin (xiii)	May 22, 2025	–	–	–	–	–
		–	3,136	867	193	4,196

Notes:

(i) None of the directors or supervisors of the Company waived or agreed to waive any emoluments during the Track Record Period.

(ii) The executive directors', non-executive directors' and supervisors' emoluments shown above were for their services as directors and supervisors of the Group and the Company, respectively.

(iii) The discretionary bonuses were determined with reference to their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

(iv) Mr. Li Zhi was appointed as the Executive director and chief executive officer on November 28, 2018.

(v) Mr. Zhang Chuanlin was appointed as executive director of the Company on July 12, 2021 and served until February 21, 2023.

(vi) Mr. Yang Hongbing was appointed as a non-executive director of the Company on February 21, 2023 and served until February 1, 2024. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(vii) Mr. Li Jing was appointed as a non-executive director of the Company on February 21, 2023 and served until February 25, 2026. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(viii) Mr. Wang Jianfei was appointed as a non-executive director of the Company on November 27, 2020. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(ix) Mr. Cao Jian was appointed as a non-executive director of the Company on July 12, 2021 and served until February 21, 2023. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(x) Mr. Wu Yufeng was appointed as a non-executive director of the Company on February 1, 2024 and served until January 10, 2026. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(xi) Ms. Cheng Shuhui was appointed as a supervisor of the Company on August 21, 2020 and served until May 22, 2025.

(xii) Mr. Zhuang Qinggang was appointed as a supervisor of the Company on February 21, 2023 and served until May 22, 2025. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(xiii) Mr. Li Xin was appointed as a supervisor of the Company on May 22, 2025 and served until January 10, 2026. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(b) Five highest paid individuals

The five highest paid individuals of the Group included one, one and one director or supervisor of the Company for the years ended December 31, 2023, 2024 and 2025 respectively, details of whose remuneration are set out above. Details of the remuneration for the remaining four, four and four paid individuals for the Track Record Period are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	5,496	5,039	5,125
Retirement benefit scheme contributions	117	138	141
Discretionary bonuses	1,638	1,606	1,955
	7,251	6,783	7,221

The emoluments of the five highest paid individuals for the Track Record Period are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	No. of employees	*No. of employees*	*No. of employees*
Hong Kong Dollars ("HK$")			
1,000,001 to HK$1,500,000	3	3	3
HK$2,000,001 to HK$2,500,000	1	1	–
HK$2,500,001 to HK$3,500,000	1	1	2
	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss			
Loss for the purpose of basic and diluted loss per share for the year attributable to owners of the Company	(167,812)	(290,879)	(215,458)
	'000	*'000*	*'000*
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share *(Note)*	160,600	160,600	169,020
	RMB	*RMB*	*RMB*
Basic and diluted loss per share	(1.05)	(1.81)	(1.28)

Note: The Company was converted to a joint stock company on January 21, 2026, 31,081,000 ordinary shares with par value of RMB1 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. The conversion is applied retrospectively for the purpose of calculating basic loss per share, as adjusted for the capital contributions by the then shareholders and the number of ordinary shares.

Pursuant to the resolutions passed by the shareholders of Company on February 25, 2026, the ordinary shares will be subdivided on a one-for-ten basis. The number of shares has been retrospectively adjusted accordingly, assuming the share subdivision had been in effect on the beginning of the Track Record Period.

Investments from the investors with preferred rights which are recorded as financial liabilities at amortised cost as set out in Note 32 to the Historical Financial Information, are not treated as outstanding shares and thus are excluded in the calculation of basic loss per share until the preferred right was legally terminated upon the date before the completion of the **[REDACTED]**.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Track Record Period, the Company has certain investments from the investors with preferred rights which are potential ordinary shares in Note 32 to the Historical Financial Information. As the Group incurred losses for the Track Record Period, the potential ordinary shares were not included in the calculation of diluted loss per share, as their conversion to ordinary shares would decrease loss per share. Accordingly, diluted loss per share for the Track Record Period is the same as basic loss per share for the respective years.

16. DIVIDENDS

No dividend was declared or paid by the Company during the Track Record Period.

17. PROPERTY, PLANT AND EQUIPMENT

The Group

	Owned properties	Plant and machinery	Office equipment and fixtures	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
As at January 1, 2023	–	357,370	16,734	9,038	200,650	480,772	1,064,564
Additions	–	2,545	913	9	–	521,427	524,894
Transfer	559,415	192,311	19,770	–	112,729	(884,225)	–
Disposals of a subsidiary	–	(14,415)	(2,531)	–	(53,097)	(82)	(70,125)
Disposals	–	(2,379)	(805)	–	(644)	–	(3,828)
As at December 31, 2023	559,415	535,432	34,081	9,047	259,638	117,892	1,515,505
Additions	–	3,183	468	5	–	254,971	258,627
Transfer	36,242	138,820	1,553	67	25,672	(202,354)	–
Disposals of a subsidiary	–	(5,530)	(1,357)	–	–	–	(6,887)
Disposals	–	(3,141)	(102)	–	(7,596)	–	(10,839)
As at December 31, 2024	595,657	668,764	34,643	9,119	277,714	170,509	1,756,406
Additions	–	2,613	–	–	–	130,710	133,323
Transfer	65,171	174,016	2,781	1,689	–	(243,657)	–
Disposals	–	(3,200)	(309)	–	(2,921)	(5,645)	(12,075)
As at December 31, 2025	660,828	842,193	37,115	10,808	274,793	51,917	1,877,654

	Owned properties	Plant and machinery	Office equipment and fixtures	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
DEPRECIATION							
As at January 1, 2023	–	33,935	3,418	3,886	43,516	–	84,755
Provided for the year	2,106	42,914	5,427	2,065	43,127	–	95,639
Disposals of a subsidiary	–	(860)	(258)	–	(2,433)	–	(3,551)
Eliminated on disposals	–	(711)	(675)	–	(11)	–	(1,397)
As at December 31, 2023	2,106	75,278	7,912	5,951	84,199	–	175,446
Provided for the year	11,422	53,852	6,227	3,037	40,425	–	114,963
Disposals of a subsidiary	–	(1,601)	(520)	–	–	–	(2,121)
Eliminated on disposals	–	(873)	(75)	–	(7,596)	–	(8,544)
As at December 31, 2024	13,528	126,656	13,544	8,988	117,028	–	279,744
Provided for the year	12,283	71,373	5,181	1,197	30,078	–	120,112
Eliminated on disposals	–	(725)	(4)	–	(568)	–	(1,297)
As at December 31, 2025	25,811	197,304	18,721	10,185	146,538	–	398,559
CARRYING AMOUNT							
As at December 31, 2023	557,309	460,154	26,169	3,096	175,439	117,892	1,340,059
As at December 31, 2024	582,129	542,108	21,099	131	160,686	170,509	1,476,662
As at December 31, 2025	635,017	644,889	18,394	623	128,255	51,917	1,479,095

The Company

	Owned properties	Plant and machinery	Office equipment and fixtures	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
As at January 1, 2023	–	110,713	8,263	8,929	55,500	4,854	188,259
Additions	–	25	550	–	–	3,014	3,589
Transfer	–	1,487	4,153	–	972	(6,612)	–
Disposals	–	(2,346)	(796)	–	–	–	(3,142)
As at December 31, 2023	–	109,879	12,170	8,929	56,472	1,256	188,706
Additions	–	–	468	–	–	207,645	208,113
Transfer	13,224	90,764	1,321	58	18,611	(123,978)	–
Merger and deregistration of a subsidiary	577,353	324,758	12,173	9	56,422	69,813	1,040,528
Disposals	–	(2,593)	(71)	–	–	–	(2,664)
As at December 31, 2024	590,577	522,808	26,061	8,996	131,505	154,736	1,434,683
Additions	–	2,613	–	–	–	130,161	132,774
Transfer	65,171	173,477	2,781	1,689	–	(243,118)	–
Disposals	–	(3,200)	(309)	–	(2,748)	–	(6,257)
As at December 31, 2025	655,748	695,698	28,533	10,685	128,757	41,779	1,561,200
DEPRECIATION							
As at January 1, 2023	–	21,808	2,508	3,871	27,657	–	55,844
Provided for the year	–	10,719	2,086	2,039	14,460	–	29,304
Eliminated on disposals	–	(705)	(673)	–	–	–	(1,378)
As at December 31, 2023	–	31,822	3,921	5,910	42,117	–	83,770
Provided for the year	8,447	30,694	4,458	3,008	13,801	–	60,408
Eliminated on disposals	–	(708)	(51)	–	–	–	(759)
As at December 31, 2024	8,447	61,808	8,328	8,918	55,918	–	143,419
Provided for the year	12,283	62,027	4,196	1,167	7,166	–	86,839
Eliminated on disposals	–	(725)	(4)	–	(492)	–	(1,221)
As at December 31, 2025	20,730	123,110	12,520	10,085	62,592	–	229,037

	Owned properties	Plant and machinery	Office equipment and fixtures	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
CARRYING AMOUNT							
As at December 31, 2023	–	78,057	8,249	3,019	14,355	1,256	104,936
As at December 31, 2024	582,130	461,000	17,733	78	75,587	154,736	1,291,264
As at December 31, 2025	635,018	572,588	16,013	600	66,165	41,779	1,332,163

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Owned properties	50 years
Plant and machinery	10 years
Office equipment and fixtures	3 to 5 years
Leasehold improvement	Over the shorter of the relevant lease terms or 5 years
Vehicles	4 to 5 years

As at December 31, 2023, 2024 and 2025, the Group and the Company have pledged certain property, plant and equipment to secure bank borrowing to the Group and the Company respectively. Details are set out in Note 31.

Impairment test on property, plant and equipment, right-of-use assets and other intangible assets

The Group focuses on providing CDMO services, which the Group operates as a whole. As at December 31, 2023, 2024 and 2025, the Group was identified as a single cash-generating unit ("CGU"), which property, plant and equipment, right-of-use assets and other intangible assets belong to, for the purpose of impairment testing.

Due to the accumulated losses throughout the years ended December 31, 2023, 2024 and 2025, the management of the Group concluded there was indication of impairment loss and conducted impairment assessment on property, plant and equipment, intangible assets and right-of-use assets and with carrying amounts of RMB1,403,725,000, RMB1,537,647,000 and RMB1,535,197,000 as at December 31, 2023, 2024 and 2025 respectively.

Impairment test on the property, plant and equipment, intangible assets and right-of-use assets of the Group has been conducted by the management of the Group by engaging an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("AVISTA"), to estimate the recoverable amount of the group of cash-generating units as at December 31, 2023, 2024 and 2025. The address of AVISTA is Room 2401-06, 24/F, Everbright Centre, No. 108 Gloucester Road, Wan Chai, Hong Kong.

The recoverable amount of this unit has been determined based on a value in use calculation ("VIU") by using the discounted cashflow method. That calculation uses cash flow projections based on financial budgets approved by management covering a 10 years period. Hence, the management believes that a forecast period for the cash generating units longer than five years is justifiable and consistent with useful life of the core assets. The values to the assigned key assumptions were based on the past performance of the CGU and the

management's expectation of future market development. Discount rate was determined by a pre-tax discount rate based on weighted average capital cost of 15.6%, 16.5% and 16.7% respectively were used to reflect market assessment of time value and the specific risks relating to the CGU for the impairment review as at December 31, 2023, 2024 and 2025.

As at December 31, 2023, 2024 and 2025, management of the Group determines that there is no impairment on the property, plant and equipment, intangible assets and right-of-use assets. The recoverable amount is significantly above the carrying amount of the CGU as at December 31, 2023, 2024 and 2025 respectively. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

18. RIGHT-OF-USE ASSETS

The Group

	Leased properties	Leasehold land	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
As at January 1, 2023	84,464	14,603	1,505	100,572
Additions	2,839	–	–	2,839
Decrease for early termination	(11,234)	–	–	(11,234)
Decrease for disposal of a subsidiary	(14,954)	–	–	(14,954)
As at December 31, 2023	61,115	14,603	1,505	77,223
Derecognition	–	–	(1,505)	(1,505)
Decrease for disposal of a subsidiary	(734)	–	–	(734)
As at December 31, 2024	60,381	14,603	–	74,984
Additions	30,785	–	–	30,785
Decrease for early termination	(52,334)	–	–	(52,334)
As at December 31, 2025	38,832	14,603	–	53,435
DEPRECIATION				
As at January 1, 2023	17,302	511	627	18,440
Charge for the year	13,829	292	502	14,623
Decrease for early termination	(8,360)	–	–	(8,360)
Decrease for disposal of subsidiary	(3,489)	–	–	(3,489)
As at December 31, 2023	19,282	803	1,129	21,214
Charge for the year	9,551	292	376	10,219
Derecognition	–	–	(1,505)	(1,505)
Decrease for disposal of subsidiary	(571)	–	–	(571)
As at December 31, 2024	28,262	1,095	–	29,357
Charge for the year	9,640	292	–	9,932
Decrease for early termination	(27,803)	–	–	(27,803)
As at December 31, 2025	10,099	1,387	–	11,486
CARRYING AMOUNT				
As at December 31, 2023	41,833	13,800	376	56,009

	Leased properties	Leasehold land	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024	32,119	13,508	–	45,627
As at December 31, 2025	28,733	13,216	–	41,949

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases	2,149	662	192
Total cash outflow for leases	15,878	11,356	10,928

The Company

	Leasehold land	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
As at January 1, 2023	–	15,072	15,072
Additions	–	2,839	2,839
Decrease for early termination	–	(9,866)	(9,866)
As at December 31, 2023	–	8,045	8,045
Merger and deregistration of a subsidiary	13,678	–	13,678
As at December 31, 2024	13,678	8,045	21,723
Additions	–	30,785	30,785
As at December 31, 2025	13,678	38,830	52,508
DEPRECIATION			
As at January 1, 2023	–	5,962	5,962
Charge for the year	–	3,782	3,782
Decrease for early termination	–	(7,062)	(7,062)
As at December 31, 2023	–	2,682	2,682
Charge for the year	170	2,682	2,852
As at December 31, 2024	170	5,364	5,534
Charge for the year	292	4,733	5,025
As at December 31, 2025	462	10,097	10,559
CARRYING AMOUNT			
As at December 31, 2023	–	5,363	5,363
As at December 31, 2024	13,508	2,681	16,189

	Leasehold land	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at December 31, 2025	13,216	28,733	41,949

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases	1,220	115	186
Total cash outflow for leases	6,425	5,635	5,659

During the Track Record Period, the Group and the Company lease various properties and machinery for the operations. For leased properties, the Group's and the Company's lease contracts are entered into for fixed term of two years to eight years. The Group's lease contract for machinery is for the fixed term of three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There were no extension options in the lease contracts. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company apply the definition of a contract and determines the period for which the contract is enforceable.

The Group and the Company have obtained the land use right certificates for all leasehold lands.

The Group and the Company regularly entered into short-term leases for properties, machinery and equipment. As at December 31, 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

As at December 31, 2023, 2024 and 2025, the Group's lease liabilities of RMB46,969,000, RMB37,411,000 and RMB28,674,000 are recognised with related right-of-use assets of RMB42,209,000, RMB32,119,000 and RMB28,733,000 respectively. The Company's lease liabilities of RMB5,754,000, RMB2,932,000 and RMB28,674,000 are recognised with related right-of-use assets of RMB5,363,000, RMB2,681,000 and RMB28,733,000 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

19. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
COST	
As at January 1, 2023	5,669
Additions	3,071
As at December 31, 2023	8,740
Additions	9,095
Disposal of a subsidiary	(101)
As at December 31, 2024	17,734
Additions	592
As at December 31, 2025	18,326
AMORTISATION	
As at January 1, 2023	435
Charged for the year	648
As at December 31, 2023	1,083
Charged for the year	1,313
Disposal of a subsidiary	(20)
As at December 31, 2024	2,376
Charged for the year	1,797
As at December 31, 2025	4,173
CARRYING AMOUNT	
As at December 31, 2023	7,657
As at December 31, 2024	15,358
As at December 31, 2025	14,153

The Company

	Software
	RMB'000
COST	
As at January 1, 2023	4,771
Additions	2,912
As at December 31, 2023	7,683
Additions	6,621
Merger and deregistration of a subsidiary	3,160
As at December 31, 2024	17,464
Additions	592
As at December 31, 2025	18,056
AMORTISATION	
As at January 1, 2023	352
Charged for the year	556
As at December 31, 2023	908
Charged for the year	1,221
As at December 31, 2024	2,129
Charged for the year	1,794
As at December 31, 2025	3,923
CARRYING VALUES	
As at December 31, 2023	6,775
As at December 31, 2024	15,335
As at December 31, 2025	14,133

The software of the Group and Company has finite useful lives and is amortised on a straight-line basis over three to ten years.

20. INTERESTS IN AN ASSOCIATE

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of unlisted investments in an associate	–	900	900
Share of post-acquisition gains and other comprehensive expense, net of dividends received	–	–*	–*
	–	900	900

* Amount below RMB1,000

Details of each of the Group's associate at the end of the reporting period are as follows:

Name of associate	Place of incorporation and principal place of business	Proportion of ownership interest and voting power held by the Group		Principal activity
		2024	2025	
Quzhou Intellective Kaitu Biotechnology Co., Ltd* (衢州智享凱途生物科技有限公司) ("Quzhou Intellective")	Zhejiang, the PRC	30.0%	30.0%	Biotechnology

* *English name is for identification purpose only.*

The Group has 30% ownership interest and voting rights in Quzhou Intellective. By considering that the Group has no sufficiently dominant voting rights to direct the relevant activities of Quzhou Intellective unilaterally, the directors of the Company conclude that the Group only has significant influence over Quzhou Intellective and therefore it is classified as an associate of the Group.

Summarised financial information of Quzhou Intellective

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets	N/A	575	427
Non-current assets	N/A	324	472

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total comprehensive income	N/A	1	–*
Dividends received from the associate during the year	N/A	–	–

* Amount below RMB1,000

21. INTERESTS IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments	575,200	100,000	100,092
Share of post-acquisition gains and other comprehensive expense, net of dividends received	(122,293)	(100,000)	(100,092)
	452,907	–	–

Details of particulars of subsidiaries of the Company are set out in Note 44 to the Historical Financial Information.

22. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	75,803	68,032	85,129
Work in progress	2,978	21,945	20,766
Finished goods	26,186	41,530	39,536
	104,967	131,507	145,431
Less: write down of inventories	(7,476)	(9,398)	(12,601)
	97,491	122,109	132,830

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	66,159	68,032	85,097
Work in progress	2,978	21,945	20,707
Finished goods	24,262	42,130	39,645
	93,399	132,107	145,449
Less: write down of inventories	(6,275)	(9,398)	(12,601)
	87,124	122,709	132,848

As at December 31, 2023, 2024 and 2025, no inventories are expected to be recovered after more than 12 months.

23. TRADE RECEIVABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from third parties	169,996	223,289	253,860
Less: allowance for credit losses	(9,835)	(17,163)	(26,681)
	160,161	206,126	227,179
Notes receivables	2,821	11,287	4,934
	162,982	217,413	232,113

As at January 1, 2023, trade receivables from contracts with customers of the Group amounted to RMB65,964,000 net of allowance for credit losses of RMB3,334,000.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from third parties	163,171	221,076	246,182
Trade receivables from subsidiaries *(Note 38(i))*	513	–	4,861
	163,684	221,076	251,043
Less: allowance for credit losses	(9,375)	(17,017)	(26,211)
	154,309	204,059	224,832
Notes receivables	2,821	11,287	4,934
	157,130	215,346	229,766

As at January 1, 2023, trade receivables from contracts with customers of the Company amounted to RMB62,725,000 net of allowance for credit losses of RMB3,245,000.

The following is an aged analysis of trade receivable net of allowance for credit losses presented based on invoice date as at December 31, 2023, 2024 and 2025:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 30 days	39,418	59,444	83,086
31 to 90 days	38,857	1,889	4,561
91 to 180 days	25,030	7,657	14,589
181 to 365 days	24,489	24,408	17,556
Over 365 days	32,367	112,728	107,387
	160,161	206,126	227,179

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 30 days	35,924	59,443	84,194
31 to 90 days	38,196	1,889	4,561
91 to 180 days	24,772	7,657	14,589
181 to 365 days	23,845	24,408	17,556
Over 365 days	31,572	110,662	103,932
	154,309	204,059	224,832

The Group and the Company normally grant a credit period of 30 to 90 days or a particular period agreed with customers effective from the invoice date. The Company does not grant a credit period term to its subsidiaries. For certain trade receivables balances which have been past due more than 90 days, the directors of the Company consider that they are not in default since such balances could be recovered based on the historical repayment pattern of overdue trade receivables and the financial conditions of corresponding customers.

All notes receivables held by the Group are with a maturity period of less than one year.

Details of expected credit loss assessment of trade receivables are set out in Note 40(b) to the Historical Financial Information.

24. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for purchase of materials and services	29,759	64,886	79,748
Other receivables	11,058	11,226	7,053
Rental deposits	1,527	1,600	1,759
Deposits	4,118	4,102	3,645
Prepayments for purchase of property, plant and equipment	78,016	38,795	66,826
Value-added Tax ("VAT") recoverable	33,270	41,001	9,551
Consideration receivables	117,578	73,666	37,467
	275,326	235,276	206,049
Less: amount due within one year shown under current assets	(124,430)	(158,468)	(137,747)
Amount shown under non-current assets	150,896	76,808	68,302

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for purchase of materials and services	28,161	63,391	78,198
Other receivables	3,097	11,116	5,869
Rental deposits	–	–	1,759
Deposits	558	4,092	3,534
Prepayments for purchase of property, plant and equipment	3,545	38,621	66,495
VAT recoverable	5,394	40,026	6,628
Consideration receivables	117,578	73,666	37,467
	158,333	230,912	199,950
Less: amount due within one year shown under current assets	(83,369)	(155,878)	(131,979)
Amount shown under non-current assets	74,964	75,034	67,971

25. CONTRACT ASSETS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
CDMO services			
Contract assets	62,447	124,221	158,923
Less: allowance for credit losses	(3,328)	(6,804)	(7,214)
	59,119	117,417	151,709

As at January 1, 2023, contract assets of the Group amounted to RMB42,945,000 net of allowance for credit losses of RMB1,553,000.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
CDMO services			
Contract assets	62,435	124,221	156,208
Less: allowance for credit losses	(3,327)	(6,804)	(6,926)
	59,108	117,417	149,282

As at January 1, 2023, contract assets of the Company amounted to RMB42,817,000 net of allowance for credit losses of RMB1,550,000.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Details of expected credit loss assessment of contract assets are set out in Note 40(b) to the Historical Financial Information.

26. CONTRACT COSTS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Costs to fulfill contracts	151,008	102,461	143,712
Less: impairment on contract costs	(2,141)	(5,303)	(11,750)
	148,867	97,158	131,962
Analysed for reporting purposes as:			
Non-current assets	36,621	39,235	37,458
Current assets	112,246	57,923	94,504
	148,867	97,158	131,962

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Costs to fulfill contracts	144,812	100,802	131,333
Less: impairment on contract costs	(2,141)	(5,303)	(11,750)
	142,671	95,499	119,583
Analysed for reporting purposes as:			
Non-current assets	37,260	35,188	34,741
Current assets	105,411	60,311	84,842
	142,671	95,499	119,583

The contract costs primarily relate to the staff costs and other related material costs incurred for CDMO service contracts. Contract costs are recognised as part of cost of sales in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related contract is recognised. The amount of capitalised costs recognized by the Group and the Company in profit or loss during the years ended December 31, 2023, 2024 and 2025 was RMB265,209,000, RMB219,897,000 and RMB225,214,000 and RMB216,092,000, RMB212,892,000 and RMB216,328,000 respectively.

27. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity securities *(Note i)*	–	23,000	52,705
Structured deposits *(Note ii)*	55,042	80,225	2
	55,042	103,225	52,707

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity securities *(Note i)*	–	23,000	52,705
Structured deposits *(Note ii)*	15,004	80,225	2
	15,004	103,225	52,707

Notes:

(i) The above equity investment represents ordinary shares of Nanjing Leads Biolabs Co., Ltd., an entity listed in Hong Kong since July 25, 2025. The investment is held for trading.

(ii) The structured deposits held by the Group and the Company are with variable interest rates connected with foreign exchange rate and are classified as current as the original term of these financial products are within three months.

28. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

Cash and cash equivalents

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank balances	269,118	242,009	556,772
Restricted bank deposits	–	145,540	2,177
	269,118	387,549	558,949

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank balances	168,670	236,768	524,259
Restricted bank deposits	–	145,540	2,177
	168,670	382,308	526,436

Bank balances held by the Group and the Company carry interests at fix and variable market rates, which was from 0.05% to 1.80%, 0.05% to 2.50% and 0.05% to 1.05% as at December 31, 2023, 2024 and 2025 respectively.

Restricted bank deposits

Restricted bank deposits held by the Company as of December 31, 2025, amounted to RMB2,177,000 with an interest rate of 0.10%, and represented proceeds from investments under supervision.

Restricted bank deposits held by the Company as of December 31, 2024, amounted to RMB145,540,000 with an interest rate of 0.10%, including RMB9,940,000 under loan bank supervision, designated for specific use in syndicated loan projects after bank approval; and RMB135,600,000 represented proceeds from investments under supervision.

29. TRADE AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables for materials and services	84,935	96,227	109,500
Accrued staff costs and benefits	25,966	20,413	31,765
Payables for property, plant and equipment	214,693	75,478	54,411
Government grants	85,000	90,000	90,000
Borrowing arrangement fee payables	–	20,561	18,753
Other payables	13,466	11,263	14,021
Other tax payables	2,366	4,572	8,861
Deposits	100	–	–
	426,526	318,514	327,311
Less: amount due within one year shown under current liabilities	(426,454)	(298,280)	(309,243)
Amount shown under non-current liabilities	72	20,234	18,068

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables for materials and testing services	66,008	90,776	102,124
Accrued staff costs and benefits	14,067	20,373	31,761
Payables for property, plant and equipment	6,033	73,028	53,600
Government grants	–	90,000	90,000
Borrowing arrangement fee payables	–	20,561	18,753
Other payables	6,183	10,834	8,052
Other tax payables	1,047	4,571	8,586
	93,338	310,143	312,876
Less: amount due within one year shown under current liabilities	(93,266)	(289,909)	(294,808)
Amount shown under non-current liabilities	72	20,234	18,068

The average credit period granted by suppliers is normally 0 to 180 days. The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	35,942	56,676	78,274
6 months to 1 year	28,663	13,031	15,987
Over 1 year	20,330	26,520	15,239
	84,935	96,227	109,500

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	30,417	56,670	73,654
6 months to 1 year	21,837	13,026	13,858
Over 1 year	13,754	21,080	14,612
	66,008	90,776	102,124

30. CONTRACT LIABILITIES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
CDMO services	113,122	105,936	164,159
Others	–	–	29,018
	113,122	105,936	193,177

As at January 1, 2023, contract liabilities of the Group amounted to RMB89,682,000.

Included in contract liabilities balance of the Group as at January 1, 2023, 2024 and 2025, RMB89,682,000, RMB113,122,000 and RMB105,936,000 were recognised as revenue during the years ended December 31, 2023, 2024 and 2025, respectively.

As at December 31, 2023, 2024 and 2025, contract liabilities of nil, nil, and nil are expected to be recognised after more than 12 months from the end of the reporting period, respectively.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
CDMO services	108,854	102,867	163,363

As at January 1, 2023, contract liabilities of the Company amounted to RMB88,222,000.

Included in contract liabilities balance of the Company as at January 1, 2023, 2024 and 2025, RMB88,222,000, RMB108,854,000 and RMB102,867,000 were recognised as revenue during the years ended December 31, 2023, 2024 and 2025, respectively.

As at December 31, 2023, 2024 and 2025, contract liabilities of nil, nil, and nil are expected to be recognised after more than 12 months from the end of the reporting period, respectively.

31. BORROWINGS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Secured bank borrowings	640,194	944,047	1,237,582
Secured other borrowings	867	–	–
Unsecured bank borrowings	480,270	526,339	443,025
	1,121,331	1470,386	1680,607
Less: borrowing arrangement fees, net of amortization	(1,188)	(23,683)	(23,512)
	1,120,143	1,446,703	1,657,095

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
The carrying amounts of the above borrowings are repayable:			
Within one year	518,893	521,159	538,137
Within a period of more than one year but not exceeding two years	75,300	34,674	96,040
Within a period of more than two years but not exceeding five years	345,850	106,292	197,548
More than five years	180,100	784,578	825,370
	1,120,143	1,446,703	1,657,095
Less: amount due within one year shown under current liabilities	(518,893)	(521,159)	(538,137)
Amount shown under non-current liabilities	601,250	925,544	1,118,958

The Group's borrowings had been secured by the Group's assets. The gross carrying amounts of the respective assets are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	210,159	610,260	705,401

The exposure of the Group's borrowings are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fixed-rate borrowings	236,036	305,389	283,994
Variable-rate borrowings	884,107	1,141,314	1,373,101
	1,120,143	1,446,703	1,657,095

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at December 31,		
	2023	2024	2025
Effective interest rate			
Fixed-rate borrowings	3.1%–3.6%	2.75%–3.5%	2.4%–3.5%
Variable-rate borrowings	2.8%–4.45%	2.7%–4.2%	2.6%–4.2%

The Group's variable-rate borrowings carry interest at loan prime rate minus spread of 0.25% to 0.8%.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Secured bank borrowings	–	944,047	1,083,541
Secured other borrowings	867	–	–
Unsecured bank borrowings	278,209	345,223	443,025
	279,076	1,289,270	1,526,566
Less: borrowing arrangement fees, net of amortisation	–	(23,683)	(23,512)
	279,076	1,265,587	1,503,054

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
The carrying amounts of the above borrowings are repayable:			
Within one year	279,076	340,043	384,096
Within a period of more than one year but not exceeding two years	–	34,674	96,040
Within a period of more than two years but not exceeding five years	–	106,292	197,548
More than five years	–	784,578	825,370
	279,076	1,265,587	1,503,054
Less: amount due within one year shown under current liabilities	(279,076)	(340,043)	(384,096)
Amount shown under non-current liabilities	–	925,544	1,118,958

The Company's borrowings had been secured by the Group's assets. The gross carrying amounts of the respective assets are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	5,233	610,260	610,260

The exposure of the Group's borrowings are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fixed-rate borrowings	236,036	305,389	283,994
Variable-rate borrowings	43,040	960,198	1,219,060
	279,076	1,265,587	1,503,054

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at December 31,		
	2023	2024	2025
Effective interest rate			
Fixed-rate borrowings	3.1%–3.6%	2.75%–3.5%	2.4%–3.5%
Variable-rate borrowings	2.8%–3.2%	2.7%–3.7%	2.6%–4.2%

The Company's variable-rate borrowings carry interest at loan prime rate minus spread of 0.25% to 0.55%.

32. REDEMPTION LIABILITIES

The Group and the Company

The series of financing from investors were as follows:

Series	Date of agreements	Total number of shares subscribed	Subscription price per share	Total consideration
				RMB'000
A	November 11, 2020	2,157,995	RMB51.9	112,000
A+	May 28, 2021	830,207	RMB60.23	50,000
B	June 28, 2021	999,536	RMB80.04	80,000
B+	July 12, 2021	1,421,075	RMB87.96	125,000
C	August 30, 2022	2,499,377	RMB181.65	454,000
C+ first round	January 20, 2023	315,540	RMB190.15	60,000
C+ second round	January 8, 2024	1,130,687	RMB190.15	215,000
C+ third round	July 4, 2024	709,966	RMB190.15	135,000
		10,064,383		1,231,000

The key terms of investment agreements are as follows:

Redemption rights

The investors have a right to require the Company to redeem their investment if (i) the Company failed to qualified initial public offering (the "QIPO") before December 31, 2026; (ii) the Company or founder has engaged in intentional or fraudulent conduct; (iii) the Company or founder shareholders has committed a significant violation of laws and regulations or have committed a major breach to the agreements, which has an adverse impact on the Company or results in the Company being unable to complete a QIPO and (iv) any other investor or subsequent investor requires the Company to redeem the investment.

The redemption amount is calculated as the original investment principal from investors, plus an annual simple rate of 8% of the original investment principal for a period of time commencing from the delivery date to the actual payments date of the settlement and any declared but unpaid dividends.

Upon the closure of the investment, at the Group's consolidated statements of the financial position, the Group recognised the contractual obligation to the investors as financial liabilities measured at amortised cost using the effective interest rate method over the period from the closure date to the maturity date.

Anti-dilution rights

If the Company increases its share capital at a price lower than the price paid by the each series investors respectively, the investors have a right to require the Company to issue more paid-in capital for nil consideration (or any other minimum price permitted by law) to them, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no liability was recognised by the Company.

Liquidation preferences

Upon occurrence of a liquidation event, all assets of the Group shall be distributed to the investors after the payment for liquidation expenses, staff cost, taxation and other external payables. The investors shall be entitled to receive the amount equal to 100% share price plus an annual simple rate of 8% of the original investment principal and the dividends announced but not undistributed. All proceeds derived from the liquidation event shall be distributed in the following order: (1) Series C+ and Series C shares; (2) Series B+ and Series B shares; (3) Series A+ and Series A shares. If there are any remaining amount available for distribution, the remaining amount shall be distributed rateably among all shareholders.

Supplemental agreement

In December 2025, pursuant to the supplemental agreement entered into between the Company and the investors, the redemption right has ceased to be effective from one day before the date on which the first submission of application and shall be automatically resumed upon the occurrence of the earliest of the following events: (i) the **[REDACTED]** application to the Stock Exchange (the "**[REDACTED]** Application") was returned, cancelled or withdrawn; (ii) the Company or the sponsor withdraw the **[REDACTED]** Application; (iii) The Company has received rejection the approval for **[REDACTED]** and **[REDACTED]** or the registration for issuance issued by the relevant stock exchange or regulatory authority, (iv) the **[REDACTED]** Application has expired and the Company did not request an extension within 6 months; or (v) the Company did not complete the **[REDACTED]** within 20 months from the date of first submission of the **[REDACTED]** Application.

According to the supplemental agreement, all the other preferred rights granted to the investors shall be automatically terminated upon the completion of the **[REDACTED]**.

The movements of these redemption liabilities are as follows:

	Total
	RMB'000
At January 1, 2023	880,289
Recognition of redemption liabilities at amortised cost	78,000
Charged to finance costs	69,940
At December 31, 2023	1,028,229
Recognition of redemption liabilities at amortised cost	335,000
Charged to finance costs	90,847
At December 31, 2024	1,454,076
Charged to finance costs	98,480
At December 31, 2025	1,552,556

33. LEASE LIABILITIES

The Group

	As at December31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	9,630	9,488	7,507
Within a period of more than one year but not exceeding two years	9,416	7,128	8,073
Within a period of more than two years but not exceeding five years	23,474	20,795	13,094
More than five years	4,449	–	–
	46,969	37,411	28,674
Less: amount due for settlement within 12 months shown as current liabilities	(9,630)	(9,488)	(7,507)
Amount due for settlement after 12 months shown as non-current liabilities	37,339	27,923	21,167

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	2,894	2,932	7,507
Within a period of more than one year but not exceeding two years	2,860	–	8,073
Within a period of more than two years but not exceeding five years	–	–	13,094
	5,754	2,932	28,674
Less: amount due for settlement within 12 months shown as current liabilities	(2,894)	(2,932)	(7,507)
Amount due for settlement after 12 months shown as non-current liabilities	2,860	–	21,167

As at December 31, 2023, 2024 and 2025, the range of the incremental borrowing rates applied to the lease liabilities are from 3.65% to 4.65%, 3.65% to 4.65%, and 3%, respectively. As at December 31, 2023, 2024 and 2025, the range of the incremental borrowing rates applied to the lease liabilities are from 3.65% to 4.65%, 3.65% to 4.65%, and 3%, respectively.

34. DEFERRED INCOME

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government subsidies *(Note)*	5,456	14,424	12,475
Less: amount due within 12 months shown under current liabilities	(949)	(1,949)	(1,949)
Amount shown under non-current liabilities	4,507	12,475	10,526

Note: The government subsidies are provided in relation to assets and research and development projects. The amount has been treated as deferred income and amortised over the useful lives of the relevant assets and periods of the respective research and development projects.

35. PAID-IN CAPITAL

The Group and the Company

Paid-in capital

As disclosed in Note 1 to the Historical Financial Information, the Company converted into a joint stock company on January 21, 2026, the balance as at January 1, 2023, December 31, 2023, 2024 and 2025 represented the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

	Paid-in capital
	RMB'000
Issued and paid	
As at January 1, 2023	23,952
Capital contributions from investors *(note i)*	411
As at December 31, 2023	24,363
Capital contributions from investors *(note i)*	1,762
As at December 31, 2024	26,125
Capital contributions from shareholders *(note ii)*	4,956
As at December 31, 2025	31,081

Notes:

i As disclosed in Note 32 to the Historical Financial Information, during the Track Record Period, the Company received capital investment from certain investors with total consideration of RMB413,000,000, among which RMB2,173,000 was credited to the Company's paid-in capital and the remaining balance was credited as capital reserves.

ii In October 2025, the Company received capital investment from shareholders with total consideration of RMB4,956,000 and was credited to the Company's paid-in capital.

36. RESERVES OF THE COMPANY

	Capital reserve	Other reserve	Merger reserve	PRC statutory reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	809,627	(818,000)	(367)	5,769	(206,197)	(209,168)
Loss and total comprehensive expense for the year	–	–	–	–	(55,342)	(55,342)
Capital contributions	77,589	–	–	–	–	77,589
Recognition of redemption liabilities	–	(78,000)	–	–	–	(78,000)
As at December 31, 2023	887,216	(896,000)	(367)	5,769	(261,539)	(264,921)
Loss and total comprehensive expense for the year	–	–	–	–	(252,661)	(252,661)
Capital contributions	333,238	–	–	–	–	333,238
Recognition of redemption liabilities	–	(335,000)	–	–	–	(335,000)
Merger and deregistration of a subsidiary *(Note)*	–	–	(65,706)	–	–	(65,706)
As at December 31, 2024	1,220,454	(1,231,000)	(66,073)	5,769	(514,200)	(585,050)
Loss and total comprehensive expense for the year	–	–	–	–	(224,173)	(224,173)
As at December 31, 2025	1,220,454	(1,231,000)	(66,073)	5,769	(738,373)	(809,223)

Note:

On September 20, 2024, the Company completed the absorption merger of its wholly-owned subsidiary Intellective Biologics Technology (Suzhou) Co., Ltd. *智享生物科技(蘇州)有限公司.

The merger reserve represents the difference between the book value of the net assets of the subsidiary obtained by the Company less the amount of the investment on the subsidiary of the Company.

37. SHARE-BASED PAYMENT TRANSACTIONS

For the purpose of providing the eligible participants with the opportunity to participate in the ownership and future growth of the Company, thereby promoting retention, motivation and alignment of interests, as considered and approved at shareholders meeting of the Company on June 15, 2021, the Company adopted the share option and restricted share incentive plan.

Mr. Li Zhi established nine employee stock ownership platforms, namely Gongqingcheng Qide Investment Partnership Enterprise (Limited Partnership)* (共青城啟德投資合夥企業(有限合夥)), Gongqingcheng Qikun Investment Partnership Enterprise (Limited Partnership)* (共青城啟坤投資合夥企業(有限合夥)), Gongqingcheng Qiheng Investment Partnership Enterprise (Limited Partnership)* (共青城啟恒投資合夥企業(有限合夥)), Gongqingcheng Qihao Investment Partnership Enterprise (Limited Partnership)* (共青城啟昊投資合夥企業(有限合夥)), Gongqingcheng Qizhi Investment Partnership Enterprise (Limited Partnership)* (共青城啟智投資合夥企業(有限合夥)), Gongqingcheng Qiyuan Investment Partnership Enterprise (Limited Partnership)* (共青城啟淵投資合夥企業(有限合夥)), Gongqingcheng Qichuang Investment Partnership Enterprise (Limited Partnership)* (共青城啟創投資合夥企業(有限合

* *English name is for identification purpose only.*

夥)), Gongqingcheng Qike Investment Partnership Enterprise (Limited Partnership)* (共青城啟科投資合夥企業(有限合夥)) and Gongqingcheng Qituo Investment Partnership Enterprise (Limited Partnership)* (共青城啟拓投資合夥企業(有限合夥)) (collectively referred to as "Employee Stock Ownership Platforms") and a historical platform namely Changshu Qiyang Biologics Technology Partnership Enterprise (Limited Partnership)* (常熟啟揚生物科技合夥企業(有限合夥)) to implement employee incentive schemes of the Company.

Equity-settled share option scheme of the Company

Employee stock option plan (the "ESOP")

The maximum number of shares available for grant under the share option scheme was equivalent to the Company's paid-in-capital of RMB3 million. The exercise price of the ESOP is RMB5 or RMB10 for each RMB1 registered paid-in-capital.

The vesting period of the share options granted shall be determined by the directors of the Company and stipulated in the grant agreement with each grantee, which are categorized into the following three types:

Type A (the "Type A Vesting Period"):

16.66% may be exercised at each anniversary of the grant date of the share option to the sixth anniversary of the grant date, subject to the individual's continued service through each such date.

Type B (the "Type B Vesting Period"):

25% may be exercised at each anniversary of the grant date of the share option to the fourth anniversary of the grant date, subject to the individual's continued service through each such date.

Type C (the "Type C Vesting Period"):

The Type C Vesting Period was determined based on certain milestones and performance conditions.

If the grantees' employment or service relationship are terminated for any reason with the Company prior to the date they exercise the share options, the share options will be forfeited. After the grantees exercise the share options, they still cannot dispose or transfer the shares from the date they obtained the shares to the date of the QIPO (the "Block-out Period"). In the event of grantees' termination of employment or service relationship for any reason with the Company before the end of Block-out Period, Mr. Li Zhi or a third party designated by Mr. Li Zhi has the right to repurchase the shares from the grantees. The repurchase price per share shall be determined based on one of the 2 following applicable manners:

(i) 100% or 200% of the carrying amount of the net assets of the Company as at the latest practical balance sheet date multiplied the percentage of shares of paid-in-capital the grantees owned.

(ii) The original purchase price paid by the grantees, plus interest accrued from the date of issuance through the date of such repurchase at a rate of 4% or 8% per annum, calculated as simple interest.

On January 5, 2026, the directors of the Company resolved to modify the share options of all existing employee incentive plans to restricted shares which only changed the incentive scheme method from share options to restricted shares. Pursuant to this amendment, all participants will entitle the restricted shares through Mr Li Zhi upon payment of the exercise price.

Details of the options granted under share option scheme are as follows:

Grantee	Grant during the year of	Vesting period defined	Number of share options granted As at December 31, 2023	2024	2025
Directors and employees	2023	Type A Vesting Period	11,008,000	–	–
Directors and employees	2023	Type B Vesting Period	1,300,000	–	–
Directors and employees	2025	Type A Vesting Period	–	–	6,800,000
Directors and employees	2025	Type B Vesting Period	–	–	1,280,000

The following table discloses movements of the outstanding share options during the Track Record Period:

	Number of share options	Weighted average exercise price per paid-in-capital	Weighted average grant date fair value per paid-in-capital	Weighted average remaining contractual life
		RMB	*RMB*	*Years*
Outstanding as at January 1, 2023	44,051,400	5.71	38.01	4.61
Granted	12,308,000	9.96	62.87	
Exercised	(34,728,789)	6.24	43.83	
Forfeited	(10,258,110)	5.38	38.83	
Outstanding as at December 31, 2023	11,372,501	8.99	46.42	3.26
Exercised	(2,814,835)	8.30	40.22	
Forfeited	(1,475,000)	8.67	47.58	
Outstanding as at December 31, 2024	7,082,666	9.33	48.64	2.99
Granted	8,080,000	10.00	88.13	
Forfeited	(773,333)	9.16	50.21	
Outstanding as at December 31, 2025	14,389,333	9.72	70.73	3.83

Fair value of share options granted

For share options granted during the years ended December 31, 2023 and 2025, the weighted average fair value of those options at the grant date was RMB62.87, and RMB88.13 per paid-in-capital respectively.

The Company applies the binominal option pricing model in determining the fair value of the share options. The key assumptions used to estimate the fair value of the share options granted during the year ended December 31, 2023 and 2025 are as follows:

	Year ended December 31	
	2023	2025
Fair value for each RMB1 registered capital at the grant date	RMB71.42	RMB97.33
Exercise price per paid-in-capital	RMB6.23–RMB6.30	RMB8.78–RMB8.83
Expected volatility	53.50%–54.22%	52.95%–54.87%
Expected life	4.5–6.5 years	4.5–6.5 years
Risk–free rate	2.58%–2.77%	1.36%–1.55%
Expected dividend yield	0.00%	0.00%

The Group shall estimate the forfeiture rate of the ESOP based on comprehensive consideration of expected retention rate and the possibility of achievement of relevant performance conditions of each eligible grantee in order to determine the amount of share-based payment expenses charged to the consolidated statement of profit or loss and other comprehensive income. As at December 31, 2023, 2024 and 2025, the average forfeiture rate was assessed as 2.00%.

The directors of the Company are of the view that it is not probable that there will be a successful QIPO at December 31, 2023, 2024 and 2025. As a result, no share-based compensation expenses are recognised for each of the Track Record Period.

Equity-settled restricted share scheme of the Company

Restricted share scheme (the "RS Scheme")

The maximum number of shares available for grant under the RS scheme was equivalent to the Company's paid-in-capital of RMB1 million. The exercise price of the RS Scheme is RMB1 for each RMB1 registered paid-in-capital.

The grantees cannot dispose or transfer the shares during the Block-out Period. In the event of grantees' termination of employment or service relationship for any reason with the Company before the end of Block-out Period, Mr. Li Zhi or a third party designated by Mr. Li Zhi has the right to repurchase the granted restricted shares from the grantees.

The repurchase price per share shall be determined based on one of the 2 following applicable manners:

(i) 100% or 200% of the carrying amount of the net assets of the Company as at the latest practical balance sheet date multiplied the percentage of shares of paid-in-capital the grantees owned.

(ii) The original purchase price paid by the grantees, plus interest accrued from the date of issuance through the date of such repurchase at a rate of 4% or 8% per annum, calculated as simple interest.

Details of the unvested restricted shares as at December 31, 2025 under the RS Scheme are as follows:

Grant date	Amount of paid-in-capital	Grantee
	RMB'000	
December 18, 2021	133	Senior managements
December 18, 2021	225	Employees
December 12, 2023	229	Employees
	587	

The following table discloses the movement of the unvested restricted shares under the RS Scheme during the Track Record Period:

	Unvested restricted shares	Weighted average grant date fair value per paid-in-capital
	'000	*RMB*
As at January 1, 2023	35,730	24.00
Granted	22,937	84.00
As at December 31, 2023, 2024 and 2025	58,667	47.00

The directors of the Company are of the view that it is not probable that there will be a successful QIPO at December 31, 2023, 2024 and 2025 therefore, no restricted shares are expected to vest and no share-based compensation expenses are recognised for each of the Track Record Period.

Fair value of restricted shares granted

The Group used back-solve model to determine the underlying equity fair value of the Company. The fair value of restricted shares granted at grant date was determined to be RMB24 per RMB1 registered paid-in-capital, by referring to the equity fair value amounted RMB25 per share of the Company and the purchase price of the restricted share of RMB1 per share. The foresaid fair value of restricted shares at date of grant was valued by directors of the Company with reference to valuation reports carried out by AVISTA, an independent qualified valuer. Key assumptions used in determining the fair value of shares are as follows:

	Restricted share granted in	
	2021	2023
Risk-free interest rate	2.7%	2.6%
Volatility	50.4%	51.5%

38. RELATED PARTY TRANSACTIONS AND BALANCES

The Group has the following transactions and balances with the related parties during the Track Record Period.

(i) Other than as disclosed in Note 21 to the Historical Financial Information, the Group and the Company had balances with related parties, which are all interest-free and unsecured at the end of the Track Record Period, as follows:

The Company

Trade receivables

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
A subsidiary of the Company *(note)*	513	–	4,861

Note: As at December 31, 2023 and 2025, the trade receivables due to a subsidiary of the Company are with 30 days.

Amounts due from subsidiaries

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Subsidiaries of the Company	26,954	825	12,015

Amounts due to subsidiaries

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Subsidiaries of the Company	104,826	825	16,876

All the amounts due from subsidiaries and the amounts due to subsidiaries are non-traded related and repayable on demand.

(ii) Compensation of key management personnel

The remuneration of directors and supervisors of the Company and other members of key management was as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	7,436	6,792	7,501
Retirement benefits scheme contribution	282	241	247
Discretionary bonus	1,880	1,868	2,344
	9,598	8,901	10,092

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to investors through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debts, which includes borrowings disclosed in Note 31, redemption liabilities disclosed in Note 32 and lease liabilities disclosed in Note 33, net of cash and cash equivalents and restricted bank deposits disclosed in Note 28 and total equity comprising paid-in capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital. Based on recommendation of the management of the Group, the Group will balance its overall capital structure through the new share issues, or issue of new debt, or the redemption of existing debt.

40. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	566,381	695,556	840,986
Financial assets at FVTPL	55,042	103,225	52,707
	621,423	798,781	893,693
Financial liabilities			
Amortised cost	2,461,566	3,104,308	3,406,336

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	473,987	687,353	816,846
Financial assets at FVTPL	15,004	103,225	52,707
	488,991	790,578	869,553
Financial liabilities			
Amortised cost	1,490,355	2,915,687	3,255,015

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables and deposits, cash and cash equivalents, restricted bank deposits, financial assets at FVTPL, trade and other payables, redemption liabilities and borrowings. The Company's major financial instruments include trade receivables, other receivables and deposits, amounts due from subsidiaries, cash and cash equivalents, restricted bank deposits, financial assets at FVTPL, trade and other payables, amounts due to subsidiaries, redemption liabilities and borrowings. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with the financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The

management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's and the Company's activities expose them primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's and the Company's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain financial assets and liabilities are denominated in foreign currencies of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's and the Company's foreign currencies denominated monetary assets and liabilities at the end of the Track Record Period are as follows:

The Group and the Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Assets			
USD	6,870	7,035	40,867

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies, the foreign currencies with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis uses outstanding foreign currencies denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit where RMB strengthens 5% against the relevant foreign currencies. For a 5% weakening of RMB against the relevant foreign currencies, there would be an equal and opposite impact on the profit for the respective years.

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit or loss	344	352	2,043

(ii) Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to cash and cash equivalents and restricted bank deposits (Note 28), fixed-rate bank borrowings (Note 31), redemption liabilities (Note 32) and lease liabilities (Note 33).

The Group and the Company are also exposed to cash flow interest rate risk in relation to cash and cash equivalents, variable-rate bank borrowings (Note 31). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates quoted by loan prime rate (LPR). The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The

management will review the proportion of borrowings in fixed and variable rates and ensure they are within reasonable range.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the Track Record Period. The analysis is prepared assuming the financial instruments outstanding at the end of Track Record Period were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate bank borrowings are used which represents management's assessment of the reasonably possible change in interest rates. Cash and cash equivalents are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended December 31, 2023, 2024 and 2025 would increase/decrease by RMB4,421,000, RMB5,707,000 and RMB6,866,000. This is mainly attributable to the Group's and the Company's exposure to interest rates on its variable-rate bank borrowings.

(iii) Other price risk

The Group and the Company are exposed to other price risk arising from equity securities in financial assets at FVTPL.

Sensitivity analysis

The value of the listed equity securities has been changed based on the 5% higher/lower, the pre-tax loss of the Group and the Company for the year ended December 31, 2024 and 2025 would increase/decrease by approximately RMB1,150,000 and RMB2,635,000 respectively.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposures are primarily attributable to trade receivables, other receivables, contract assets, amounts due from subsidiaries, cash and cash equivalents, restricted bank deposits and amount of contingent liabilities in relation to the financial guarantees disclosed in Note 41 provided by the Group. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk as 11%, 25% and 19% and 47%, 61% and 57% of the total trade receivables was due from the Group's largest customer and the five largest customers as at December 31, 2023, 2024 and 2025, respectively. The Group's concentration of credit risk as 21%, 26% and 33% and 66%, 56% and 67% of the total contract assets was due from the Group's largest customer and the five largest customers as at December 31, 2023, 2024 and 2025, respectively.

The Company's concentration of credit risk as 12%, 25% and 19% and 49%, 62% and 54% of the total trade receivables was due from the Company's largest customer and the five largest customers as at December 31, 2023, 2024 and 2025, respectively. The Company's concentration of credit risk as 21%, 26% and 34% and 66%, 56% and 68% of the total contract assets was due from the Company's largest customer and the five largest customers as at December 31, 2023, 2024 and 2025, respectively.

In addition, the Group and the Company perform impairment assessment under ECL model on trade receivable and contract assets balances individually. Details of the quantitative disclosures are set out below in this note.

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group and the Company provided impairment based on 12m ECL.

Contingent liabilities in relation to the financial guarantees

For financial guarantee contracts, the Group provided financial guarantee to 育德揚(常熟)生物技術有限公司 ("Changshu Yudeyang"), a disposed subsidiary in 2023, for the outstanding loan of approximately RMB33,436,000, RMB33,432,000 and RMB26,263,000 as at December 31, 2023, 2024 and 2025 respectively that the Group could be required to pay for the outstanding financial guarantees has been utilised by Changshu Yudeyang. As Changshu Yudeyang could repay the outstanding loan by using its working capital, the directors of the Company have performed impairment assessment and concluded the fair value of these financial guarantee, as at dates of initial recognition, were considered insignificant.

Amounts due from subsidiaries

The ECL on amounts due from subsidiaries are assessed individually based on the probability of defaults of amounts due from subsidiaries, the management has taken into account the financial position of the counterparties as well as forward looking information that is available without undue cost or effort. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Company provided impairment based on 12m ECL.

Cash and cash equivalents and restricted bank deposits

The credit risk on cash and cash equivalents and restricted bank deposits is limited because the counterparties are banks and financial institution with high credit ratings assigned by international credit-rating agencies.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets	Other finance assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due date but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off

The tables below detail the credit risk exposures of the Group's and the Company's financial assets and contract assets, which are subject to ECL assessment:

				Gross carrying amounts					
				The Group			The Company		
				As at December 31,			As at December 31,		
	Notes	Internal credit rating	12m or lifetime ECL	2023	2024	2025	2023	2024	2025
				RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortised cost									
Trade receivables	23	Note	Lifetime ECL – not credit- impaired (individually assessed)	169,996	223,289	253,860	163,684	221,076	251,043
			Lifetime ECL – credit-impaired (individually assessed)	–	–	–	–	–	–
Note receivables	23	Note	Lifetime ECL – not credit- impaired (individually assessed)	2,821	11,287	4,934	2,821	11,287	4,934
Other receivables and deposits	24	N/A	12m ECL	134,281	90,594	49,924	121,233	88,874	48,629
Amounts due from subsidiaries	38(i)	N/A	12m ECL	–	–	–	86,748	110,179	176,804
Restricted bank deposits	28	N/A	12m ECL	–	145,540	2,177	–	145,540	2,177
Cash and cash equivalents	28	N/A	12m ECL	269,118	242,009	556,772	168,670	236,768	524,259
Other item									
Contract assets	25	Note	Lifetime ECL – not credit- impaired (individually assessed)	62,447	124,221	158,923	62,435	124,221	156,208
Financial guarantee contracts	41	N/A	12m ECL	33,436	33,432	26,263	33,436	33,432	26,263

Note:

Internal credit rating

The Group

As part of the Group's credit risk management, the following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed individually within lifetime ECL (not credit-impaired) categorised in each credit risk grading. The gross carrying amount of trade receivables and contract assets of RMB232,443,000, RMB347,510,000 and RMB412,783,000 respectively as at December 31, 2023, 2024, and 2025 were assessed individually.

		Gross carrying amount	
	Loss rate	Trade receivables	Contract assets
	%	*RMB'000*	*RMB'000*
As at December 31, 2023			
Low risk	1.29~3.40	86,910	30,374
Watch list	3.48–13.72	74,044	31,979
Doubtful	20.13–24.42	9,042	94
		169,996	62,447

		Gross carrying amount	
	Loss rate	Trade receivables	Contract assets
	%	*RMB'000*	*RMB'000*
As at December 31, 2024			
Low risk	1.27–4.28	30,762	44,218
Watch list	4.69–15.85	184,290	69,796
Doubtful	17.18–24.24	8,237	10,207
		223,289	124,221

		Gross carrying amount	
	Loss rate	Trade receivables	Contract assets
	%	*RMB'000*	*RMB'000*
As at December 31, 2025			
Low risk	1.27–4.96	81,707	73,644
Watch list	4.96–16.54	112,109	78,021
Doubtful	16.66–21.31	60,044	7,258
		253,860	158,923

At December 31, 2023, 2024 and 2025, the Group's net impairment loss allowance for trade receivables and contract assets recognised amounted to RMB9,835,000 and RMB17,163,000, RMB26,681,000 and RMB3,328,000, RMB6,804,000 and RMB7,214,000, respectively.

The Company

As part of the Company's credit risk management, the following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed individually within lifetime ECL (not credit-impaired) categorised in each credit risk grading. The gross carrying amount of trade receivables and contract assets of RMB226,119,000, RMB345,297,000 and RMB407,251,000 respectively as at December 31, 2023, 2024, and 2025 were assessed individually.

		Gross carrying amount	
	Loss rate	Trade receivables	Contract assets
	%	*RMB'000*	*RMB'000*
As at December 31, 2023			
Low risk	1.29–3.40	85,537	30,362
Watch list	3.48–13.72	69,105	31,979
Doubtful	20.13–24.42	9,042	94
		163,684	62,435

		Gross carrying amount	
	Loss rate	Trade receivables	Contract assets
	%	*RMB'000*	*RMB'000*
As at December 31, 2024			
Low risk	1.27–4.28	30,761	44,218
Watch list	4.69–15.85	182,078	69,796
Doubtful	17.18–24.24	8,237	10,207
		221,076	124,221

		Gross carrying amount	
	Loss rate	Trade receivables	Contract assets
	%	*RMB'000*	*RMB'000*
As at December 31, 2025			
Low risk	1.27–4.96	82,767	73,646
Watch list	4.96–10.81	108,232	75,304
Doubtful	13.28–21.81	60,044	7,258
		251,043	156,208

At December 31, 2023, 2024 and 2025, the Company's net impairment loss allowance for trade receivables and contract assets recognised amounted to RMB9,375,000 and RMB17,017,000, RMB26,211,000 and RMB3,327,000, RMB6,804,000 and RMB6,926,000, respectively.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

The Group

	Lifetime ECL not credit impaired
	RMB'000
As at January 1, 2023	4,887
– Impairment losses recognised, net of reversal	8,276
As at December 31, 2023	13,163
– Impairment losses recognised, net of reversal	10,804
As at December 31, 2024	23,967
– Impairment losses recognised, net of reversal	9,928
As at December 31, 2025	33,895

The Company

	Lifetime ECL not credit impaired
	RMB'000
As at January 1, 2023	4,795
– Impairment losses recognised, net of reversal	7,907
As at December 31, 2023	12,702
– Impairment losses recognised, net of reversal	11,119
As at December 31, 2024	23,821
– Impairment losses recognised, net of reversal	9,316
As at December 31, 2025	33,137

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisations of bank borrowings and rely on increasing of paid-in capital as significant sources of liquidity.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities, lease liabilities and financial guarantee based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period, taking into consideration interest rate curve, if available.

The Group

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023							
Trade and other payables	–	313,122	72	–	–	313,194	313,194
Borrowings	3.80	373,270	131,713	529,813	209,883	1,244,679	1,120,143
Redemption liabilities	8.00	1,243,269	–	–	–	1,243,269	1,028,229
Lease liabilities	4.48	11,543	10,862	25,736	4,457	52,598	46,969
Financial guarantee	–	33,436	1,438	1,500	1,564	37,938	–
		1,974,640	144,085	557,049	215,904	2,891,678	2,508,535

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
Trade and other payables	–	183,295	2,648	9,517	8,069	203,529	203,529
Borrowings	3.62	424,029	111,428	334,946	873,983	1,744,386	1,446,703
Redemption liabilities	8.00	1,651,036	–	–	–	1,651,036	1,454,076
Lease liabilities	4.57	10,935	8,244	21,948	–	41,127	37,411
Financial guarantee	–	33,432	1,321	1,373	1,427	37,553	–
		2,302,727	123,641	367,784	883,479	3,677,631	3,141,719

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025							
Trade and other payables	–	178,617	2,017	10,039	6,012	196,685	196,685
Borrowings	3.10	459,556	164,147	325,827	760,863	1,710,393	1,657,095
Redemption liabilities	8.00	1,651,036	–	–	–	1,651,036	1,552,556
Lease liabilities	3.00	8,244	8,579	13,370	–	30,193	28,674
Financial guarantee	–	26,263	919	951	985	29,118	–
		2,323,716	175,662	350,187	767,860	3,617,425	3,435,010

The Company

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023							
Trade and other payables	–	78,152	72	–	–	78,224	78,224
Borrowings	3.26	281,302	–	–	–	281,302	279,076
Amounts due to subsidiaries	–	104,826	–	–	–	104,826	104,826
Redemption liabilities	8.00	1,243,269	–	–	–	1,243,269	1,028,229
Lease liabilities	3.65	3,014	2,869	–	–	5,883	5,754
Financial guarantee	–	33,436	1,438	1,500	1,564	37,938	-
		1,743,999	4,379	1,500	1,564	1,751,442	1,496,109

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
Trade and other payables	–	174,965	2,648	9,517	8,069	195,199	195,199
Borrowings	3.39	390,261	71,769	209,030	873,983	1,545,043	1,265,587
Amounts due to subsidiaries	–	825	–	–	–	825	825
Redemption liabilities	8.00	1,651,036	–	–	–	1,651,036	1,454,076
Lease liabilities	3.65	2,942	–	–	–	2,942	2,932
Financial guarantee	–	33,432	1,321	1,373	1,427	37,553	–
		2,253,461	75,738	219,920	883,479	3,432,598	2,918,619

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025							
Trade and other payables	–	164,461	2,017	10,039	6,012	182,529	182,529
Borrowings	3.06	420,592	115,899	248,924	760,863	1,546,278	1,503,054
Amounts due to subsidiaries	–	16,876	–	–	–	16,876	16,876
Redemption liabilities	8.00	1,651,036	–	–	–	1,651,036	1,552,556
Lease liabilities	3.00	8,244	8,579	13,370	–	30,193	28,674
Financial guarantee	–	26,263	919	951	985	29,118	–
		2,287,472	127,414	273,284	767,860	3,456,030	3,283,689

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's and the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

The Group

		Fair value as at December 31,				
	Note	**2023**	**2024**	**2025**	**Fair value hierarchy**	**Valuation techniques and key inputs**
		RMB'000	*RMB'000*	*RMB'000*		
Financial assets						
Structured deposits at FVTPL	27	55,042	80,225	2	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return and discount rate observed in the available market.
Equity investment at FVTPL	27	–	23,000	52,705	2024: Level 2; 2025: Level 1	2024: Recent transaction price; 2025: quoted bid prices in an active market.

The Company

	Note	Fair value as at December 31, 2023	2024	2025	Fair value hierarchy	Valuation techniques and key inputs
		RMB'000	*RMB'000*	*RMB'000*		
Financial assets						
Structured deposits at FVTPL	27	15,004	80,225	2	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return and discount rate observed in the available market.
Equity investment at FVTPL	27	–	23,000	52,705	2024: Level 2; 2025: Level 1	2024: Recent transaction price; 2025: quoted bid prices in an active market.

The Group owns 0.7348% equity interest in Nanjing Leads Biolabs Co., Ltd. that is classified as investment at FVTPL and is measured at fair value at each reporting date. The fair value of the investment as at December 31, 2024 and 2025 amounts to RMB23,000,000 and RMB52,705,000 respectively. The fair value of the investment as at December 31, 2024 was measured using the acquisition cost at Level 2 of the fair value hierarchy as the completion of acquisition was close to December 31, 2024.

As at December 31, 2024, as the acquisition date was close to December 31,2024, so that the fair value was equivalent to the acquisition cost.

Nanjing Leads Biolabs Co., Ltd has become a listed entity on the stock exchange of Hong Kong since July 25, 2025 with its shares traded in an active market. Therefore, the fair value of the investment as at December 31, 2025 was determined based on a published price quotation available on the stock exchange of Hong Kong and was classified as Level 1 of the fair value hierarchy.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of the Group's and the Company's financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values.

41. CONTINGENT LIABILITIES

As at December 31, 2023, 2024 and 2025, the Group provided financial guarantee to Changshu Yudeyang for the outstanding loan of approximately RMB33,436,000, RMB33,432,000 and RMB26,263,000 respectively. As disclosed in note 40, the directors of the Company believe that no provisions has been recognised in the consolidated statement of financial position as at December 31, 2023, 2024 and 2025.

42. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB11,823,000, RMB10,011,000 and RMB10,923,000 for the years ended December 31, 2023, 2024 and 2025 respectively.

43. CAPITAL COMMITMENTS

As at December 31,

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure in respect of acquisition of assets contracted for but not provided			
– Property, plant and equipment	211,382	132,328	65,097

44. DISPOSAL OF SUBSIDIARIES

On December 22, 2023, the Group completed the disposal of its entire 100% equity interests in Changshu Yudeyang to a third party for a cash consideration of approximately RMB155,000,000 with a payment schedule for three years.

Analysis of assets and liabilities over which control was lost:

	RMB'000
Trade receivables	1,915
Bank balances and cash	3,061
Prepayments and other receivables	1,170
Inventories	7,221
Other current assets	8,078
Property, plant and equipment	66,574
Right-of-use assets	11,465
Deferred tax assets	1,727
Borrowings	(33,436)
Lease liabilities	(8,905)
Trade and other payables	(6,089)
Net assets disposed of	52,781
Consideration received:	
Cash received	31,000
Deferred cash consideration (included in prepayments and other receivables)	117,578
	148,578

	RMB'000
Gain on disposal of Changshu Yudeyang	
Consideration received and receivable	148,578
Net assets disposed of Changshu Yudeyang	(52,781)
	95,797
Net cash inflow arising on disposal:	
Cash consideration	31,000
Less: bank balances and cash disposed of	(3,061)
	27,939

On September 14, 2024, the Group completed the disposal of its entire 100% equity interests in 蘇州育德揚生物技術有限公司 ("Xiangcheng Yudeyang") to a third party for a cash consideration of approximately RMB5,500,000.

Analysis of assets and liabilities over which control was lost:

	RMB'000
Bank balances and cash	2
Inventories	415
Other current assets	839
Property, plant and equipment	4,766
Right-of-use assets	163
Intangible assets	81
Deferred tax assets	3,540
Lease liabilities	(167)
Trade and other payables	(336)
Net assets disposed of Xiangcheng Yudeyang	9,303
Consideration received:	
Cash received	5,500
Loss on disposal of Xiangcheng Yudeyang	
Consideration received	5,500
Net assets disposed of Xiangcheng Yudeyang	9,303
	(3,803)
Net cash inflow arising on disposal:	
Cash consideration	5,500
Less: bank balances and cash disposed of Xiangcheng Yudeyang	(2)
	5,498

45. PARTICULARS OF SUBSIDIARIES

During the Track Record Period and as at the date of this report, the Company has direct equity interests in the following subsidiaries:

		Issued and fully paid-in/registered capital				Equity interest attributable to the Company				
		As at December 31,				As at December 31,				
Name of subsidiaries	Place/country and date of establishment/ incorporation	2023	2024	2025	As at the date of this report	2023	2024	2025	As at the date of this report	Principal activities
智享生物技術(蘇州)有限公司 *(Note (i))*	The PRC/ April 22, 2021	RMB100,000,000/ RMB100,000,000	RMB100,000,000/ RMB100,000,000	RMB100,000,000/ RMB100,000,000	RMB100,000,000/ RMB100,000,000	100%	100%	100%	100%	CDMO Services etc.
智享生物科技(蘇州)有限公司 *(Note (ii))*	The PRC/ October 6, 2020	RMB398,000,000/ RMB398,000,000	N/A	N/A	N/A	100%	N/A	N/A	N/A	CDMO Services etc.
育德揚(太倉)生物技術有限公司 ("Taicang Yudeyang") *(Note (iii))*	The PRC/ January 24, 2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CDMO Services etc.
育德揚(常熟)生物技術有限公司 ("Changshu Yudeyang") *(Note (iv))*	The PRC/ May 20, 2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Biomedical testing etc.
蘇州育德揚生物技術有限公司 ("Xiangcheng Yudeyang") *(Note (v))*	The PRC/ January 10, 2020	RMB5,200,000/ RMB5,200,000	N/A	N/A	N/A	100%	N/A	N/A	N/A	Biomedical testing etc.
智享生物(香港)有限公司 IntellectiveBio (HongKong) Limited *(Note (iv))*	Hong Kong/ March 13, 2025	N/A	N/A	Nil/ HKD100,000	Nil/ HKD100,000	N/A	N/A	100%	100%	Medical-related technological Service and consulting

Notes:

(i) The statutory financial statements of the subsidiary for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with CASBE and the statutory financial statements of the subsidiary for the years ended December 31, 2023 and 2024 were audited by Suzhou Wanlong Yongding Certified Public Accountants Co., Ltd.* (蘇州萬隆永鼎會計師事務所有限公司), a certified public accountant registered in the PRC.

(ii) The subsidiary was merged and deregistered by the Company On September 20, 2024.

(iii) Taicang Yudeyang was deregistered on March 2, 2023. Changshu Yudeyang was disposed on December 22, 2023.

(iv) The statutory financial statements of Xiangcheng Yudeyang for the year ended December 31, 2023 were prepared in accordance with CASBE and were audited by Suzhou Wanlong Yongding Certified Public Accountants Co., Ltd.* (蘇州萬隆永鼎會計師事務所有限公司), a certified public accountant registered in the PRC. The subsidiary was disposed on September 14, 2024.

(v) The statutory financial statements of the subsidiary were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. As it does not exceed 18 months since the establishment date, no statutory audit reports have been issued.

* *English name is for identification purpose only.*

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities	Borrowings	Redemption liabilities	Government Loan interest subsidy	Borrowing arrangement fee payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	67,586	974,275	880,289	–	–	1,922,150
Financing cash flow	(14,658)	136,472	78,000	–	(1,434)	198,380
Non-cash changes:						
Disposal of subsidiaries	(8,905)	(33,436)	–	–	–	(42,341)
Finance costs	2,795	42,832	69,940	–	1,434	117,001
New leases entered	2,839	–	–	–	–	2,839
Early termination of leases	(2,688)	–	–	–	–	(2,688)
As at December 31, 2023	46,969	1,120,143	1,028,229	–	–	2,195,341
Financing cash flow	(11,241)	303,315	335,000	1,527	(4,129)	624,472
Non-cash changes:						
Disposal of subsidiaries	(167)	–	–	–	–	(167)
Finance costs	1,850	23,245	90,847	(1,527)	24,690	139,105
As at December 31, 2024	37,411	1,446,703	1,454,076	–	20,561	2,958,751
Financing cash flow	(10,742)	159,279	–	13,829	(4,507)	157,859
Non-cash changes:						
Finance costs	1,259	51,113	98,480	(13,829)	2,699	139,722
New leases entered	30,785	–	–	–	–	30,785
Early termination of leases	(30,039)	–	–	–	–	(30,039)
As at December 31, 2025	28,674	1,657,095	1,552,556	–	18,753	3,257,078

47. SUBSEQUENT EVENTS

On January 21, 2026, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as at the conversion date of October 31, 2025, including paid-in capital, reserves and accumulated losses were converted into 31,081,000 shares with a nominal value of RMB1 each. The excess of net assets converted over nominal value of the ordinary shares was credited to the Company's share premium.

48. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2025 and up to the date of this report.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this document received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 30 April 2026 of the property interests held by the Company.

AVISTA Valuation Advisory
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[●] 2026

The Board of Directors
Intellective Biologics (Suzhou) Co., Ltd. (智享生物(蘇州)股份有限公司)
No. 96, Yinhe Road, Southeast Street
Changshu City, Suzhou City, Jiangsu Province
the PRC

Dear Sirs / Madams,

INSTRUCTIONS

In accordance with the instructions of Intellective Biologics (Suzhou) Co., Ltd. (**智享生物(蘇州)股份有限公司**) (the "**Company**") for us to carry out the valuation of the property interests (the "**Property**") located in the People's Republic of China (the "**PRC**") held by the Company, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30 April 2026 (the "**Valuation Date**").

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

In valuing the Property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the RICS Valuation – Global Standards

2024 published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards published from time to time by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the Property in the PRC, we have relied on the advice given by the Company and JunHe LLP, the PRC Legal Advisor, regarding the titles to the Property.

In valuing the Property, we have relied on a legal opinion regarding the Property provided by the PRC Legal Advisor dated [●] (the "**PRC Legal Opinion**"). Unless otherwise stated, the Company has legally obtained the land use rights of the Property.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

VALUATION METHODOLOGY

In valuing the Property, due to the nature of the buildings and structures of the subject property, there are no market sales comparables readily available. We have valued the property interests on the basis of their depreciated replacement cost. Depreciated replacement cost is defined as "*the current cost of replacing an asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimization*". It is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the building, including the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Property in the PRC. Where possible, we have examined the original documents to verify the existing title to the Property in the PRC and any material encumbrance that might be attached to the Property or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied

considerably on the PRC Legal Opinion given by the PRC Legal Advisor concerning the validity of the title of the Property in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the subject property. The site inspection was carried out on 15 December 2025 by Vincent Pang (Managing Partner). He has more than 15 years' experience in valuation of properties in the PRC.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the subject property is free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company, the PRC Legal Advisor, or other professional advisors on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of the property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Note: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 15 years' experience in valuation of properties including Hong Kong, the PRC, the U.S., and East and Southeast Asia.

VALUATION CERTIFICATE

Property interests held for owner occupation by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2026
			RMB	
1.	No. 96, Yinhe Road, Southeast Street, Changshu City, Jiangsu Province, the PRC (中國江蘇省常熟市東南街道銀河路96號)	The property comprises ten industrial buildings ranging from 1 to 8 storeys, with a total gross floor area of approximately 87,360.50 sq.m. The property was held for owner occupation as at the Valuation Date. As advised by the Company, the property was completed in 2023. The property is located at Yinhe Road in Southeast Street of Changshu City, with approximately 17.5 km to Changshu Railway Station and 50 km to Wuxi Shuofang Airport. The land use rights of the property have been granted for a term expiring on 27 March 2071 for industrial use.	The property was occupied by the Company as at the Valuation Date for biopharmaceutical purposes.	[669,730,000] (100% interest attributable to the Company: [669,730,000])

Notes:

1. Pursuant to a Land Use Rights Grant Contract – No. 3205812021CR0019 dated 19 March 2021 between Changshu Municipal Bureau of Planning and Natural Resources (常熟市自然資源和規劃局) and Intellective Biologics (Suzhou) Co., Ltd. (智享生物科技(蘇州) 有限公司, "Intellective Biologics"), which is now renamed to 智享生物(蘇州)股份有限公司, the land use rights of a parcel of land with a site area of approximately 40,059.00 sq.m. have been granted to Intellective Biologics for a term of 50 years for industrial use at a total land premium of approximately RMB14,140,827.

   As revealed from the aforesaid contract, the property is subject to the following material development conditions:

Permitted Use	:	Industrial
Plot Ratio	:	≥2

Minimum Permitted Accountable Gross Floor Area	:	80,118 sq.m.
Site Coverage	:	≤60%
Greening Rate	:	≤20%
Building Covenant	:	To commence construction before 29 March 2022 and to complete construction before 29 March 2025

2. Pursuant to a Real Estate Ownership Certificate – Su (2023) Chang Shu Shi Bu Dong Chan Quan Di No. 8173297 issued by the Changshu Municipal Bureau of Planning and Natural Resources (常熟市自然資源和規劃局), the land use rights of the property with a total site area of approximately 40,059.00 sq.m. for a term expiring on 27 March 2071 for Industrial use and the building ownership of the property with a total gross floor area of approximately 87,360.50 sq.m. for Industrial use have been vested in Intellective Biologics.

3. In undertaking our valuation, we have assigned no commercial value to the structure with a total gross floor area of approximately 85.28 sq.m. since Intellective Biologics has yet to obtain proper title certificate of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the structure as at the Valuation Date would be RMB120,000, assuming its rights-of-use could be freely transferred in the market.

4. As advised by the Company, the details of the property are set out as below:

Classification	**Usage**	**Gross Floor Area**
		(sq.m.)
Property interests held for owner occupation by the Company in the PRC	Industrial	85,742.54
	Ancillary	1,617.96
	Total:	**87,360.50**

5. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following: -

   a. The Company has legally and validly obtained the land use rights and the building ownership of the property under the terms of the Real Estate Ownership Certificate;

   b. The property is subject to a mortgage in favour of a banking syndicate comprising Agricultural Bank of China Limited Changshu Branch(中國農業銀行股份有限公司常熟分行), Bank of China Limited Suzhou Industrial Park Branch(中國銀行股份有限公司蘇州工業園區分行) and Shanghai Pudong Development Bank Co., Ltd. Suzhou Branch(上海浦東發展銀行股份有限公司蘇州分行);

   c. The property has not been subjected to any other encumbrances.

6. Our valuation has been made on the following basis and analysis:

   In our valuation of the land use rights, we have considered and analyzed 4 land sale comparables in the vicinity. The adjusted site values of the land sales range from RMB570 to RMB660 per sq.m. for industrial use. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of location, time and size, etc.

   Regarding the building portion, the current replacement cost of the building is assessed by determining the construction cost of a modern substitute building with the same service capacity as the building which is being valued. The adjusted replacement costs range from RMB5,000 per sq.m. to RMB9,600 per sq.m. for the R&D and office building, from RMB5,100 per sq.m. to RMB15,400 per sq.m. for the industrial buildings, from RMB4,500 per sq.m. to RMB4,800 per sq.m. for the warehouse and from RMB8,300 per sq.m. to RMB8,600 per sq.m. for ancillary buildings based on our research of the local construction costs. The replacement cost adopted in the valuation is consistent with the findings of our research.

1. DIRECTORS AND BOARD OF DIRECTORS

(1) Power to Allocate and Issue Shares

The shareholders' meeting may authorize the board of directors to resolve on the plan for issuance of Company bonds or other securities and the listing of the Company. There is no other provision in the Articles of Association empowering the board of directors to allot or issue shares. Any such allotment or issue is subject to the formalities prescribed by applicable laws and administrative regulations.

(2) Power to Dispose Assets of Our Company or any Subsidiary

The board of directors shall lay down strict procedures to inspect and decide on the approval limit for external investment, acquisition or sale of assets, mortgage of assets, provision of external guarantees, entrusted assets management, connected transactions and external donations. For major investment projects, the board of directors shall organize the relevant experts and professional to conduct assessment for approval by the shareholders' meeting.

(3) Compensation or Payments for Loss of Office

Not applicable.

(4) Loans to Directors

Not applicable.

(5) Giving of Financial Assistance to Purchase our Company or any Subsidiary's Shares

Our Company or its subsidiaries (including affiliated enterprises) shall not provide financial assistance for others to acquire shares of our Company or our parent company through means of grants, advances, guarantees loans, or other forms, except for our implementation of the employee incentive scheme.

For the benefits of our Company, we may, upon a resolution by the shareholders' meeting or by the board of directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of our Company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued registered capital. A resolution by the board of directors shall be adopted by two-thirds of all the directors.

(6) Entering into Contracts or Transact with our Company

Directors shall not directly or indirectly enter into contracts or transact with our Company without reporting to the board of directors or the shareholders' meeting and obtaining approval through resolutions of the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association.

(7) Remuneration

The shareholders' meeting shall exercise its functions and powers in accordance with laws to decide on matters of remuneration for the directors, and such decisions shall be adopted by way of ordinary resolutions.

(8) Retirement, Appointment, Removal

The board shall consist of 9 directors, including one chairman. At any time, the board of directors shall have at least three independent non-executive directors, the number of whom shall not be less than one-third of the number of directors of our Company and at least one of whom shall possess appropriate professional qualifications or appropriate accounting or related financial management expertise. At least one of our independent non-executive Director must be ordinarily resident in Hong Kong. All independent non-executive directors must satisfy the independence requirements under the Listing Rules.

Directors shall be elected or replaced by the shareholders' meeting and may be removed by an ordinary resolution of the shareholders' meeting before the expiration of their term of office. The removal shall take effect from the date of the resolution of the shareholders' meeting. The term of office of the directors shall be three years, and the directors shall be eligible for re-election upon expiration of their term of office in accordance with the securities regulatory rules of the company's place of listing. However, independent non-executive directors may not serve for more than six consecutive years.

The term of office of a director shall commence from his/her accession till the expiry of the term of the current session of the board of directors. Where the election of directors fails to be timely conducted upon expiry of the term of office of the former directors or the resignation of any director during his or her term of office results in the number of directors of the Board falling below the statutory minimum number or results in our Company failing to satisfy other requirements under the Listing Rules, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Companies with 300 or more employees shall include employee representatives among their board members. The company shall appoint one employee representative director in the board of directors. Employee representatives on the board shall be democratically elected by the company's employees through the employee representative assembly, employee general meeting, or other appropriate means, without requiring submission to the shareholders' meeting for approval.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

Directors of our Company shall be natural persons. A person shall be disqualified from being a director of our Company in each of the following circumstances:

(i) a person who does not have or who has limited capacity for civil conduct;

(ii) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or disrupting the order of the socialist market economy or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation; and, in case of suspension of sentence, no more than 2 years have elapsed since the date of expiration of the probationary period;

(iii) a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;

(iv) a person who was a legal representative of a company or enterprise which had its business license revoked or was ordered to close down on the grounds of contravention of law, and who incurred personal liability thereof, and a period of 3 years has not elapsed since the date of revocation of the business license or order of closure of that company or enterprise;

(v) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to repay his/her relatively large amount of debts when due;

(vi) a person who has been forbidden by the CSRC with a penalty to access the securities market and who is still in the period of penalty;

(vii) other circumstances stipulated by laws, regulations, departmental rules and the regulatory rules of the place where the shares of our Company are listed.

Where our Company elects or appoints any director by violating the provisions above, such elections, appointments or hiring shall be deemed invalid. Where any director, during his/her term of office, is under any of the circumstances as mentioned above, our Company shall remove him/her from his/her office. Where a director falls under any of the circumstances set forth in this clause during their tenure, they shall promptly report the matter to the company and resign within one month of the occurrence of the relevant facts.

(9) Borrowing Powers

The board formulates proposals for the issuance of bonds or other securities and the listing of our Company, and the decision on the issuance of corporate bonds shall be adopted at the shareholders' meeting. The shareholder' meeting may authorize the board to make resolutions on the issuance of corporate bonds or other securities and the listing.

2. ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS

Amendments to the Articles of Association (in whatever form) shall be adopted by special resolutions at the shareholders' meeting.

Amendments shall be made to the Articles of Association by us in any of the following circumstances:

(i) after an amendment of the Company Law, relevant laws, administrative regulations or the Listing Rules, and there is any conflict between the provisions of the Articles of Association and those of the amended laws, administrative regulations or the Listing Rules;

(ii) there are changes in the particulars of our Company which are different from that set out in the Articles of Association;

(iii) a resolution of the shareholders' meeting is passed to amend the Articles of Association.

Amendments to the Articles of Association adopted by a resolution of the shareholders' meeting which are subject to approvals from relevant competent authority shall be submitted to the competent authority for approval; if there is any change relating to the registered particulars of our Company, application shall be made for change in registration in accordance with laws.

Amendments to the Articles of Association that constitute information required to be disclosed under laws, regulations or the Listing Rules shall be announced in accordance with the relevant provisions.

3. VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARE

Not applicable.

4. SPECIAL RESOLUTIONS – MAJORITY REQUIRED

The resolutions of the shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting. The following matters shall be passed by a special resolution of the shareholders' meeting:

(i) increase or decrease in registered capital of our Company;

(ii) the division, merger, dissolution, and liquidation of our Company;

(iii) amendment to these Articles of Association;

(iv) purchases or sells significant assets or enters into guarantees with an amount exceeding 30% of the total assets in the latest audited consolidated financial statements within one year;

(v) equity incentive plan;

(vi) other matters required by laws, administrative regulations, the regulatory rules of the place where the shares of our Company are listed or the Articles of Association, as well as those determined by ordinary resolutions of the shareholders' meeting to have a significant impact on our Company, and which require special resolutions to be passed.

5. VOTING RIGHTS (GENERALLY AND ON A POLL)

The shareholders have the right to attend or appoint a proxy to attend and vote at the shareholders' meeting. When voting at the shareholders' meeting, the shareholder (including proxy) may exercise his/her voting rights in accordance with the number of shares with voting power held with each share representing one vote. When a poll is taken, shareholders (including their proxies) entitled to two or more votes need not cast all their votes in the same way (for or against or abstaining from voting).

When the shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

Any shareholder who is required by the applicable laws, regulations, normative documents, and the Listing Rules to abstain from voting on a matter or is limited to an affirmative or negative vote shall abstain from voting or be required to so vote; any vote cast by or on behalf of relevant shareholder which is cast in violation of such requirement or restriction shall not be counted in the voting result.

The shares held by our Company itself shall have no voting right and shall not be counted in the total number of voting shares at the shareholders' meeting.

If a shareholder purchases the Company's voting shares in violation of the provisions of Article 63, Paragraphs 1 and 2 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders' meeting.

6. REQUIREMENTS FOR ANNUAL SHAREHOLDERS' MEETINGS

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

7. ACCOUNTING AND AUDITS

(1) Financial and accounting policies

Our Company shall establish its financial and accounting system in accordance with laws, administrative regulations and requirements of relevant regulatory departments of the PRC. Where the securities regulatory authorities of the place where the shares of our Company are listed have any other provisions, such provisions shall prevail.

Our company shall prepare, publish and circulate its annual reports and interim reports in accordance with relevant laws, regulations as well as the provisions of the Listing Rules. The aforesaid annual reports and interim reports shall be prepared in compliance with the relevant laws, administrative regulations and requirements of the CSRC and the stock exchange of the place where the shares of our Company are listed.

Our Company shall not establish account books other than the statutory account books. The assets of our Company shall not be deposited in any personal account.

(2) Appointment and Dismissal of Accountants

Our Company shall engage an accounting firm that is qualified under the Securities Law and the regulatory rules of the place where the shares of our Company are listed to audit its financial statements, verify its net assets, and provide other relevant consulting services. The accounting firm shall serve a term of one year and the engagement can be renewed.

The appointment and dismissal of accounting firms shall be submitted to the board of directors for deliberation upon obtaining the approval of a majority of all members of the audit committee, and shall be decided by the shareholders' meeting. The board of directors shall not appoint an accounting firm prior to the decision of the shareholders' meeting.

Our Company guarantees that we will provide true and complete accounting vouchers, accounting books, financial statements and other accounting materials to the engaged accounting firm, without any refusal, concealment or misrepresentation.

8. NOTICE AND AGENDA OF SHAREHOLDERS' MEETINGS

The shareholders' meeting is the authorized organ of our Company that performs duties and exercises powers in accordance with the law.

Under any of the following circumstances, the Company shall convene an extraordinary shareholders' meeting within two months:

(i) the number of directors is less than the number specified in the Company Law or less than two-thirds of the number required in the Articles of Association;

(ii) the uncovered losses of our Company reach one-third of its total registered capital;

(iii) the shareholders with 10% or more shares of our Company separately or jointly request to convene an extraordinary shareholders' meeting (the number of shares held shall be calculated as of the date on which the shareholders submit the written request);

(iv) the board of directors considers it necessary;

(v) the audit committee makes such proposal;

(vi) any other circumstances stipulated in laws, administrative regulations, departmental rules, the securities regulatory authorities and stock exchanges of the place where the shares of our Company are listed, or the Articles of Association.

The shareholders that separately or jointly hold 10% or more of the shares (excluding voting rights attached to treasury shares) of our Company may make a request to the board of directors for an extraordinary shareholders' meeting and shall put forward such request to the board of directors in written form. Where the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to give feedback in writing within 10 days after it receives the request, the shareholders who separately or jointly hold 10% or more of the shares of our Company may propose to the audit committee to hold an extraordinary shareholders' meeting, and shall put forward the request to the audit committee in writing. Where the audit committee fails to convene or preside over an extraordinary shareholders' meeting, and shareholders who separately or jointly hold 10% or more of the shares of our Company for consecutive 90 days or more may convene and preside over the meeting themselves.

Where our Company convenes a shareholders' meeting, the board of directors, the audit committee, and shareholders severally or jointly holding more than 1% of shares of our Company shall have the right to put forward proposals to our Company.

Shareholders severally or jointly holding more than 1% of shares of our Company may submit written provisional proposals to the convener 10 days before the shareholders' meeting. The provisional proposal shall contain a clear topic for discussion and specific matters for resolution. The convener shall serve a supplemental notice of the shareholders' meeting within two days after receipt of the provisional proposals, announce the content of the temporary proposal, and submit the provisional proposal to the Shareholders' meeting for review. The Company shall not increase the shareholding ratio required for shareholders to submit provisional proposals.

Save as specified in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting. Proposals not set out in the notice of the shareholders' meeting or not complying with the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

The convener shall notify all shareholders 21 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting.

The notice of the shareholders' meeting shall be made in writing, including the following contents:

(i) the time, place, and duration of the meeting;

(ii) the matters and proposals to be discussed at the meeting;

(iii) conspicuous statement that all shareholders are entitled to attend the meeting and appoint proxy to attend and vote and that proxy need not be a shareholder;

(iv) the record date for shareholders entitled to attend the meeting (the interval between the record date for shareholders and the date of the Shareholders' meeting shall be no more than seven working days. Once the record date for shareholders is confirmed, it cannot be changed);

(v) the name and telephone number of the contact person for the meeting;

(vi) the time and procedure of voting online or by any other means;

(vii) other requirements stipulated by laws, administrative regulations, department rules, Listing Rules or the Articles of Association.

Following the issuance of the notice convening a shareholders' meeting, the meeting shall not be postponed or cancelled without justifiable cause, nor shall any proposal listed in the notice be withdrawn. Should postponement or cancellation occur, the convenor shall announce the reason at least two working days prior to the originally scheduled date. Where the Listing Rules contain alternative provisions regarding the foregoing matters, such provisions shall prevail.

In the event that any resolution of the shareholders' meeting or resolution of the board of directors violates laws or administrative regulations, any shareholder is entitled to request the court to deem it as invalid.

In the event that the convening procedure or voting formula of the shareholders meeting or meeting of the board of directors violates any of laws, administrative regulations or the Articles of Association, or resolution of which violates the Articles of Association, any shareholder is entitled to ask the court to revoke the resolution within 60 days after the resolution was adopted. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

Under any of the following circumstances, a resolution of the shareholders' meeting or the board of directors is not established:

(i) the resolution fails to be made at any shareholders' meeting or meeting of the board of directors;

(ii) the shareholders' meeting or meeting of the board of directors fails to vote on the resolution;

(iii) the number of persons attending the meeting or the number of the voting rights held by them does not reach the number as prescribed by the Company Law or the Articles of Association; or

(iv) the number of persons consenting to the resolution or the number of the voting rights held by them fails to reach the number as prescribed by the Company Law or the Articles of Association.

9. SHARES TRANSFERS

The shares issued before the public offering of shares by our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded on a securities exchange.

The directors and senior management of our Company shall declare, to our Company, information on their holdings of the shares of our Company and the changes thereto. The shares transferable by them during each year of their term of office as determined at the time of his/her assumption of office shall not exceed 25% of their total holdings of the shares of our Company. The shares that they held in our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded. The aforesaid persons shall not transfer their shares of our Company within six months from the date of their resignation.

Where the securities regulatory authorities the shares of our Company are listed have any other provisions in respect of restrictions on transfer of overseas listed shares, such provisions shall prevail.

10. REPURCHASE OF SHARES

The company shall not repurchase its own shares, except under any of the following circumstances:

(i) to reduce our Company's registered capital;

(ii) to merger with other companies which hold our shares;

(iii) to use the shares for employees stock ownership plans or equity incentives;

(iv) to repurchase shares from shareholders who vote against any resolutions adopted at the shareholders' meeting concerning the merger and division of our Company;

(v) to convert shares into bond issued by our Company which is convertible to stock of our Company;

(vi) as necessary to maintain our Company's value and shareholders' equity; or

(vii) other circumstances as permitted by the laws, regulations, Listing Rules and the regulations of the securities regulatory authorities of the Company's stock listing place.

Where our Company acquires its own shares under circumstances as mentioned in items (i) and (ii) above, it shall be subject to approval at the shareholders' meeting; where our Company acquires its own shares under circumstances as mentioned in items (iii), (v) and (vi) above, it shall, pursuant to the Articles of Association or the authorization of the shareholders' meeting, be subject to a resolution of a board meeting at which more than two-thirds of directors are present.

After the Company repurchases its own shares in accordance with the above provisions, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

11. POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT

Not applicable.

12. DIVIDEND AND OTHER METHODS OF DISTRIBUTION

Shareholders of our Company shall have the right to receive dividends and other forms of distribution in proportion to their respective shareholdings. Profit distribution shall be carried out through resolutions of shareholders' meeting after the corresponding statutory reserve fund is withdrawn.

Our Company shall not be entitled to any distribution of profits in respect of shares held by it.

13. PROXIES

Any shareholder entitled to attend and vote at the shareholders' meeting shall be entitled to attend the meeting in person, or appoint one or more other persons (who may not be shareholders) as his/her proxy to attend and vote on his/her behalf. If a proxy has been appointed to attend the meeting, the appointer shall be deemed to be present in person at the meeting. Institutional shareholders shall attend the meeting by their legal representatives (principals) or their proxies.

The power of attorney issued by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following information:

(i) the name of the appointer and the class and number of shares held by the appointer in the Company;

(ii) the name of the proxy;

(iii) instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the shareholders' meeting, respectively;

(iv) the date of issuance and the validity period of the proxy instrument; and

(v) the signature (or seal) of the appointer or its proxy authorized in writing. If the appointer is an institutional shareholder, the seal of the institutional shareholder or the signature of its directors, duly authorized agent or officer shall be affixed.

The power of attorney should state whether or not the proxy may vote in accordance with his/her own mind in the absence of specific instructions from the shareholder. If the Listing Rules have specific provisions on power of attorney, such provisions shall prevail.

14. CALLS ON SHARES AND FORFEITURE OF SHARES

Not applicable.

15. INSPECTION OF REGISTER OF MEMBERS

Our Company shall make a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of our Company's shares.

Shareholders of our Company are entitled to inspect the register of shareholders. Where the securities regulatory rules of the place where the shares of our Company are listed have any other provisions, such provisions shall prevail.

Our Company shall make a complete duplicate of the register of members and meeting minutes of shareholders' meeting available for free inspection by shareholders at our Company's Hong Kong address as required by the Listing Rules, but our Company may close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Where shareholders request for inspection of the relevant information or demand for materials mentioned above, they shall provide with our Company written documents evidencing the class and number of shares of our Company held by them. Our Company shall verify the identity of the shareholders and provide information requested by such shareholders.

16. QUORUM FOR MEETINGS AND SEPARATE CLASS MEETINGS

There is no quorum requirement for the shareholders' meeting and class meeting of shareholders under the Articles of Association.

17. RESTRICTIONS ON RIGHTS OF CONTROLLING SHAREHOLDER

The controlling shareholders and actual controllers of our Company shall not take advantage of their relationship to damage the interest of our Company. Any losses caused to our Company as a result of such violation shall be compensated.

The controlling shareholders and actual controllers of our Company are obliged to act in good faith to our Company and the public shareholders of our Company. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with the law. The controlling shareholders shall not impair the lawful rights and interest of our Company and the public shareholders by means of the distribution of profits, reorganization of assets, external investment, misappropriation of assets, loan, or guarantee, nor make use of their controlling position to impair the interests of our Company or the public shareholders.

18. RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF

If directors and senior management personnel, other than the audit committee members, violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, shareholders who individually or jointly hold more than 1% of our Company's shares for more than 180 consecutive days have the right to request in writing that the audit committee file a lawsuit with the people's court. If the audit committee and its members violates laws, administrative regulations, or the provisions of the Articles of Association while performing its duties, causing losses to our Company, the aforementioned shareholders may request in writing that the board of directors file a lawsuit with the people's court.

If the audit committee or the board of directors refuses to file a lawsuit after receiving a written request from the shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company's interests, the shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of our Company.

If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, shareholders who individually or jointly hold more than 1% of our Company's shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If directors and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association and harm the interests of shareholders, shareholders may file a lawsuit with the people's court.

If the shareholders of our Company abuse their shareholder rights and cause losses to our Company or other shareholders, they shall bear compensation liability in accordance with the law. If a Company's shareholder abuses the independent status of our Company's legal person and the limited liability of shareholders, evade debts, and seriously harm the interests of our Company's creditors, they shall bear joint and several liability for our Company's debts.

19. PROCEDURES FOR LIQUIDATION

Under any of the following circumstances, our Company shall be lawfully dissolved:

(i) the term of business of our Company has expired or other events of dissolution occur under the Article of Association;

(ii) the shareholders' meeting adopts a resolution to dissolve our Company;

(iii) our Company needs to be dissolved for the purpose of merger or division;

(iv) the business license is revoked, or our Company is ordered to close or be eliminated according to applicable law; or

(v) where our Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of our Company's shareholders may request the People's Court to dissolve our Company.

Where our Company is dissolved due to the provisions set forth in (i), (ii), (iv) and (v) above, our Company shall be liquidated. Directors are our Company's liquidation obligators and shall establish the liquidation team within 15 days from the date of the event leading to dissolution and conduct liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

Within 10 days of the establishment of the liquidation group, the creditors shall be notified and an announcement shall be published within 60 days. The creditors shall declare their claims to the liquidation group within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation team shall carry out registration of the claims.

During the period for declaration of claims, the liquidation group shall not make any repayment to the creditors.

During the liquidation, our Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation.

In the event the liquidation team finds that, after taking stock of our Company's property and preparing the balance sheet and list of property, that the assets are insufficient to pay the debts, it shall apply to the people's court for bankruptcy of our Company in accordance with the law.

After the people's court accepts the application for bankruptcy of our Company, the liquidation group shall turn over matters regarding the liquidation to the bankruptcy administrator appointed by the people's court.

Upon closure of liquidation of our Company, the liquidation group shall prepare a liquidation report and shall submit it to our shareholders' meeting or the people's court for recognition. The liquidation group shall submit the above-mentioned documents to our Company registration authority, apply for cancelation of our registration.

Where our Company is declared bankrupt according to laws, our Company shall implement bankruptcy liquidation according to laws relating to bankruptcy of enterprises.

20. OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR SHAREHOLDERS

(1) General Provisions

Our Company is a permanently existing joint stock limited company.

All assets of our Company shall be divided into equal shares. The shareholders' liabilities to our Company are limited to the shares subscribed by them. The liabilities of our Company to the Company's debts shall only be limited to all its assets.

The Articles of Association shall become a legally binding document governing the organization and conduct of our Company, and the rights and obligations between our Company and its shareholders and among shareholders since its effective date, and shall constitute a legally binding document governing on our Company, its shareholders, directors, and senior management. According to the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a director and the senior management, any shareholder may bring a lawsuit against our Company, and our Company may bring a lawsuit against any shareholder, a director, and the senior management.

(2) Share and Transfer

The capital of our Company shall be divided into shares. The shares of our Company shall be in the form of share certificates. The share certificates of our Company shall be in registered form. In addition to the information required by the Company Law, the

information to be set out in the share certificates of our Company shall also include other information required by the stock exchange where the shares of our Company are listed.

Our Company may increase stock capital by the following means through the resolution of shareholders' meetings:

(i) issuing shares to unspecified persons;

(ii) issuing shares to specific persons;

(iii) giving bonus shares to existing shareholders;

(iv) converting reserve funds into shares; and

(v) other means approved by the laws, administrative regulations and the securities regulatory authorities and the stock exchange of the place where the shares of our Company are listed, and other regulatory authorities.

If our Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant laws, administrative regulations and the Listing Rules after such increase has been approved in accordance with the Articles of Association.

Our Company may decrease our registered capital and shall comply with the procedures stipulated in Company Law of the PRC, other related regulations and the Articles of Association.

(3) Shareholders

The rights of our shareholders are as follows:

(i) to receive distribution of dividends and other forms of benefits according to the number of shares held;

(ii) to request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting and exercise corresponding voting rights in accordance with the PRC Company Law and the Articles of Association;

(iii) to supervise and manage business and operational activities of our Company, provide suggestions or submit queries;

(iv) to transfer, grant and pledge our Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

(v) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the board of directors, the accounting reports and vouchers of the Company if they meet the requirements;

(vi) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of shares held;

(vii) shareholders who object to resolutions of merger or division made by the shareholders' meeting may request our Company to buy back the shares held;

(viii) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Where any shareholder demands to read the relevant information or obtain any of the aforesaid materials, he/she shall submit to our Company written documents proving the class(es) and number of shares he/she holds. Our Company shall provide the relevant information or materials in accordance with the shareholder's demand after verifying the shareholder's identity.

Shareholders of our Company shall have the following obligations:

(i) to abide by laws, administrative regulations, department rules, the regulatory rules of the place where the shares of our Company are listed and the Articles of Association, and to exercise shareholders' rights in accordance with the laws;

(ii) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;

(iii) not to return shares unless prescribed otherwise in laws and administrative regulations;

(iv) not to abuse shareholders' rights to infringe upon the interests of our Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

(v) to assume other obligations required by laws, administrative regulations, the regulatory rules of the place where the shares of our Company are listed and the Articles of Association.

(4) The Board of Directors

The board of directors shall exercises the following powers and duties:

(i) to convene shareholders' meeting and report on its work to the shareholders' meeting;

(ii) to implement the resolutions of the shareholders' meeting;

(iii) to decide on our Company's operational plans and investment proposals;

(iv) to formulate our Company's profit distribution proposals and loss recovery proposals;

(v) to formulate proposals for the increase or reduction of registered capital, issue of bonds or other securities and listing of our Company;

(vi) to formulate proposals for material acquisition, repurchase of our Company's shares or merger, division, dissolution and change of corporate form of our Company;

(vii) to decide on external investment, acquisition or disposal of assets, assets security, external guarantee, entrusted wealth management, connected transactions and external donations of our Company within the scope authorized by the shareholders' meeting or in accordance with the regulatory rules of the place where the shares of our Company are listed;

(viii) to approve external borrowings outside the annual budget of the Company and in an amount exceeding RMB30 million;

(ix) to approve the purchase, acquisition, sale or other disposal of material assets and businesses of the Company and/or its subsidiaries and branches, including any real estate, land use rights, intellectual property rights and other assets with a value exceeding RMB5 million (including interests in subsidiaries);

(x) to appoint and remove the general manager (CEO) and determine his/her remuneration; to appoint and remove deputy general managers, Chief Financial Officer and other senior management upon nomination by the General Manager, and determine their remuneration;

(xi) to formulate our Company's basic management system;

(xii) to draft amendments to the Articles of Association;

(xiii) to manage Company's information disclosure;

(xiv) to formulate and implement the equity incentive plans and employee share ownership plans (including the total number of options to be granted, exercise price, exercise period, etc.) and their implementation plans;

(xv) to propose to hire or replace an accounting firm auditing for our Company to the shareholders' meeting;

(xvi) to listen to the work report of the general manager of our Company and inspect the work of the general manager;

(xvii) to formulate and review the corporate governance policies and practices of our Company;

(xviii) to review and monitor the training and continuous professional development of the directors and senior management;

(xix) to review and monitor our Company's policies and practices on compliance with legal and regulatory requirements;

(xx) to approve the proposals or schemes of the special committees;

(xxi) to deliberate and approve external guarantees of the Company that are required to be approved by the shareholders' meeting pursuant to the Articles of Association;

(xxii) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors;

(xxiii) to review our Company's compliance with the Corporate Governance Code under the Listing Rules and disclosure in the Corporate Governance Report;

(xxiv) other powers as permitted by laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of our Company are listed and the Articles of Association.

Matters which are beyond authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board shall be adopted by more than half of all directors. Each director shall have one vote in board resolutions.

(5) Independent Non-executive Director

Issues including conditions of appointment, nomination and election procedures, tenure of office, resignation and power of the independent non-executive directors are implemented in accordance with the relevant provisions of the laws, administrative regulations, departmental rules and regulation rules of the place where the shares of our Company are listed.

Independent non-executive directors shall faithfully perform their duties and play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

(6) Secretary of the Board of Directors

Our Company shall have a secretary of the board of directors, who is responsible for the preparation of shareholders' meeting and meetings of the board, the keeping of documentation as well as the management of shareholders' information, handling the matters relating to information disclosure and other matters. The secretary of the board of directors shall comply with relevant provisions of laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of our Company are listed and the Articles of Association.

(7) Special Committees under the Board

The Company's board of directors shall establish an audit committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

The audit committee comprises three directors who do not serve as senior management of the Company, of whom two must be independent non-executive directors, at least one of whom must be an independent director with appropriate professional qualifications or appropriate accounting or related financial management expertise, with the chairperson (convener) being an independent non-executive director with accounting expertise.

The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the board of directors for review after obtaining the approval of more than half of all audit committee members:

(i) disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(ii) appointment or dismissal of the accounting firm auditing the listed company;

(iii) appointment or dismissal of the Company's chief financial officer;

(iv) changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;

(v) other matters stipulated by laws, administrative regulations, the Listing Rules, the CSRC regulations, or the Articles of Association.

The audit committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the audit committee shall require the attendance of at least two-thirds of its members to be valid. Resolutions of the audit committee shall require the approval of more than half of its members. Each member shall have one vote in audit committee resolutions. Minutes of audit committee meetings shall be prepared, and attending members shall sign the minutes. The working procedures of the audit committee shall be formulated by the board of directors.

The board of directors shall establish other special committees, such as the nomination committee, and the remuneration and appraisal committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the board of directors. Proposals of these committees shall be submitted to the board of directors for review and decision. The working procedures of these special committees shall be formulated by the board of directors.

(8) General Manager

Our Company has one general manager, appointed or dismissed by the board of directors. The general manager of our Company is responsible to the board of directors and exercises the following powers:

(i) be in charge of the producing and operational management of our Company, organize the enforcement of resolutions of the board of directors and report to the board of directors on work;

(ii) organize the implementation of the annual operation plans and investment schemes;

(iii) formulate the structure scheme of the internal management department of our Company;

(iv) formulate the fundamental management policies of our Company;

(v) formulate the specific management rules of our Company;

(vi) propose the appointment or dismissal of our Company's deputy general manager, Chief Financial Officer and other senior management;

(vii) appoint or dismiss other management personnel and employees, except for those who shall be appointed or dismissed by the board of directors;

(viii) the chairman of the board of directors or the chief executive officer examining and approving the transaction matters outside the scope of authority of the board of directors as stipulated in the Articles of Association in accordance with the authorization of the board of directors;

(ix) other responsibilities authorized by the Articles of Association and the board of directors.

The general manager shall attend meetings of the board of directors.

(9) Reserves

When the annual after-tax earnings of our Company are distributed, our Company must allocate 10% of the earnings to the statutory reserve of our Company. When the total amount of the statutory reserve exceeds 50% of our Company's registered capital, no more allocations need to be drawn.

If our Company's statutory reserve is insufficient to offset our losses during the previous year, the earnings generated during the current year must be used to make up the losses before allocating the statutory reserve in accordance with the requirements set forth above.

After allocation to the statutory reserve from the after-tax earnings of our Company, our Company may also allocate to the reserves at will from after-tax earnings in line with the resolution(s) adopted at the shareholders' meeting.

After our Company has made up for its losses and made allocations to its reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders, unless otherwise specified by the Articles of Association.

If our Company violates the above provisions when distributing profits to the shareholders, the profits distributed in violation of the provisions shall be returned by such shareholders to our Company.

The shares held by our Company itself shall not be subject to profit distribution.

Our Company's reserves shall be used for covering losses of our Company, expanding the scale of business and operations or for conversion into capital to increase our registered capital. Where the reserve of our Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

Where the statutory reserve converses into registered capital, the remaining statutory reserve shall not be less than 25% of the registered capital of our Company before such conversion.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on April 27, 2018 and was converted into a joint stock limited company on January 21, 2026. Our registered office is located at No. 96 Yinhe Road, Changshu, Suzhou, Jiangsu Province, PRC.

Our Company has established a place of business in Hong Kong at Rooms 2917–2918, 29/F, Shun Tak Centre China Merchants Tower, 168–200 Connaught Road Central, Hong Kong and [has] been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●]. Ms. Ko Pui Yu (高貝茹) has been appointed as our authorized representative for acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company is established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix IV – Summary of Articles of Association."

2. Changes in the Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure," there has been no change in the share capital of our Company within the two years immediately preceding the date of this document.

3. Change in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants' Report.

There has been no change in the share capital of our subsidiaries within the two years preceding the date of this document.

4. Resolutions of Our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders held on February 25, 2026, our Shareholders resolved that, among others:

(a) the sub-division of the Shares with nominal value of RMB1.00 each on the basis of one to ten, effective immediately prior to the **[REDACTED]**, and taking into account the Share Subdivision, the issue of H Shares of nominal value of RMB0.10 each and such H Shares be **[REDACTED]** on the Stock Exchange;

(b) the number of H Shares to be issued pursuant to the **[REDACTED]**, and the grant to the **[REDACTED]** (or their representatives) of the **[REDACTED]** of not more than **[REDACTED]**% of the number of H Shares initially available under the **[REDACTED]**;

(c) subject to the filing procedure with the CSRC, upon the completion of the **[REDACTED]**, 302,505,290 Unlisted Shares (taking into account the Share Subdivision) held by existing Shareholders will be converted into H Shares on a one-for-one basis;

(d) subject to the completion of the **[REDACTED]**, the grant of a general mandate to our Board to allot and issue Shares or sell and/or transfer treasury Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be **[REDACTED]** shall not exceed 20% of the number of the Shares in issue (excluding any Treasury Shares) as at the **[REDACTED]**;

(e) subject to the completion of the **[REDACTED]**, the adoption of the Articles of Association which shall become effective on the **[REDACTED]**, and authorization to our Board to amend the Articles of Association to the extent necessary for the purpose of the **[REDACTED]**; and

(f) authorization of our Board or its authorized individual(s) to deal with all matters relating to the **[REDACTED]** and the **[REDACTED]**.

5. Restriction on Share Repurchase

For details of the restrictions on share repurchase by our Company, see "Appendix IV – Summary of Articles of Association."

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(a) the **[REDACTED]**.

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business.

No.	Trademark	Owner/Applicant	Registration/ Application number	Expiry date	Place of registration	Class
1	智享生物 INTELLECTIVE	Our Company	67417950	June 27, 2033	PRC	42
2		Our Company	67428951	April 13, 2034	PRC	42
3	智享生物 INTELLECTIVE	Our Company	67437651	June 13, 2034	PRC	5
4		Our Company	67428934	April 13, 2034	PRC	5
5		Our Company	67439918	July 6, 2033	PRC	1
6	Intellective 智享生物	Our Company	54914055	December 27, 2031	PRC	5
7	Intellective	Our Company	54916009	October 27, 2031	PRC	5
8	Intellective BIO	Our Company	1750590	June 13, 2033	EU	1/5/42
9	INTELLECTIVE	Our Company	1745156	June 13, 2033	EU	1/5/42
10	Intellective BIO	Our Company	795345	June 13, 2033	Switzerland	1/5/42
11	INTELLECTIVE	Our Company	795346	June 13, 2033	Switzerland	1/5/42
12	Intellective BIO	Our Company	7636717	June 13, 2033	United States	1/5/42
13	INTELLECTIVE	Our Company	7636660	June 13, 2033	United States	1/5/42

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business.

No.	Patent name	Owner	Registration Number	Registration date
1.	Sample filtration assembly device (一種樣品過濾用的組合器件)	Our Company	202022410825.4	August 24, 2021
2.	Pipeline connection apparatus (管道連接器具)	Our Company	202022410855.5	August 24, 2021
3.	Off-gas condensation device for a bioreactor (生物反應器的一種尾氣冷凝裝置)	Our Company	202020311350.0	December 18, 2020
4.	Anti-d-dimer monoclonal antibody and preparation method thereof (一種抗d-二聚體單克隆抗體及其製備方法)	Our Company	201810925413.9	March 30, 2021
5.	Method for producing recombinant platelet-derived growth factor (一種生產重組血小板源生長因數的方法)	Our Company	201810886146.9	May 28, 2021
6.	Method for expressing and producing human-like lubricin in Chinese hamster ovary cells (一種在中華倉鼠卵巢細胞中表達生產類人潤滑素的方法)	Our Company	201810886140.1	June 25, 2021

No.	Patent name	Owner	Registration Number	Registration date
7.	Single-use bioreactor bag (一次性生物反應袋)	Our Company	202122387816.2	April 12, 2022
8.	Motor bearing device at the bottom of a steel shell for a bioreactor bag (一種生物反應袋鋼殼底部的電機承載裝置)	Our Company	2021223877738	April 12, 2022
9.	Upper and lower magnetic stirring system (一種上下磁力攪拌系統)	Our Company	2021223862215	April 12, 2022
10.	Cell culture method for reducing high-mannose glycoforms of antibodies in Chinese hamster ovary cells (一種降低中華倉鼠卵巢細胞中抗體高甘露糖型的細胞培養方法)	Our Company	202310856717.5	October 17, 2023

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we considered to be material to our business.

No.	Copyrights	owner	Registration date	Registration Number
1.	Laboratory Order Management System 1.0 (實驗室訂單系統1.0)	Our Company	July 30, 2024	2024SR1084213
2.	Laboratory Warehouse Management System 1.0 (實驗室倉庫管理系統1.0)	Our Company	September 19, 2024	2024SR1394838
3.	Laboratory Document Generation System 1.0 (實驗室文件生成系統1.0)	Our Company	December 16, 2024	2024SR2088918

(d) Domain Names

As of the Latest Practicable Date, we had registered the following internet domain names which we considered to be material to our business:

No.	Domain name	Owner	Expiry date
1.	Intellectivebio.com	Our Company	November 26, 2028
2.	intellectivebio.com.cn	Our Company	January 17, 2029

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts

We [have entered] into a service contract with each of our Directors which contains provisions in relation to, among others, term of service and termination. The service contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed in "Directors and Senior Management" and above, we have not entered into, and do not propose to enter into, any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

2. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 14 to the Accountants' Report set out in Appendix I to this document, none of our Directors received other remuneration or benefits in kind from our Company during the three years ended December 31, 2023, 2024 and 2025.

3. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executive in the Shares and underlying Shares of our Company and our associated corporation

Save as disclosed below, so far as our Directors are aware, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and the conversion of Unlisted Shares to H Shares, none of our Directors or chief executive will have any interest and/or short position in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) will have to be notified to our

Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she is taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

(i) Interests in the Shares

			As of the Latest Practicable Date		Immediately following the [REDACTED] (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)		
Name	Position	Nature of interest	Number of Shares interested in[(1)]	Approximate percentage of shareholding in total Shares[(2)]	Number of Shares interested in[(3)]	Approximate percentage of interest in the H Shares/Unlisted Shares[(3)]	Approximate percentage of interest in the total Shares[(3)]
				(%)		*(%)*	
Mr. Li	Chairman of our Board, executive Director, CEO	Beneficial owner	2,013,100 Unlisted Shares	6.48	20,131,000 H Shares	**[REDACTED]**	**[REDACTED]**
		Interest in controlled corporations[(4)]	15,965,140 Unlisted Shares	51.37	159,651,400 H Shares	**[REDACTED]**	**[REDACTED]**
Ms. Huang Qiong (黃瓊)	Executive Director, joint company secretary, chief financing officer and vice president of investment and financing	Interest in controlled corporation[(5)]	3,233,970 Unlisted Shares	10.41	32,339,700 H Shares	**[REDACTED]**	**[REDACTED]**

Notes:

(1) All interests set out in the table above represent long positions.

(2) The calculation is based on the total number of Shares in issue as of the Latest Practicable Date, which consist of 310,807,360 Unlisted Shares among which, 302,505,290 of the Unlisted Shares will be converted into H Shares upon completion of the **[REDACTED]** after receipt of the filing notice regarding H share "Full circulation" from the CSRC.

(3) The calculation is based on the total number of 8,302,070 Unlisted Shares and **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) after receipt of the filing notice regarding H share "Full circulation" from the CSRC.

(4) As of the Latest Practicable Date, (i) Suzhou Zhilihui was wholly owned by Mr. Li and (ii) the general partner of each of Changshu Qiyang, Qijun Partnership, Qikun Partnership, Qiheng Partnership, Qihao Partnership and Qide Partnership was Huide Information Technology, which was owned as to 98% by Mr. Li. As such, Mr. Li is deemed to be interested in **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, **[REDACTED]** and **[REDACTED]** H Shares after the **[REDACTED]** (taking into account the Share Subdivision) held by Suzhou Zhilihui, Qiyang Changshu, Qijun Partnership, Qide Partnership, Qihao Partnership, Qikun Partnership and Qiheng Partnership, respectively, under the SFO.

(5) Ms. Huang Qiong is the general partner of Suzhou Yunzhi Biomedical Technology Partnership (Limited Partnership) (蘇州雲智生物醫藥科技合夥企業(有限合夥)) ("**Suzhou Yunzhi**") and holds 40.00% partnership interest in Changshu Qiming as a limited partner. As such, Ms. Huang is deemed to be interested in the Shares held by Suzhou Yunzhi and Changshu Qiming under the SFO.

(b) Interests and short positions of our substantial Shareholders in the Shares and underlying Shares of our Company

For the information on the persons who will, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and the conversion of Unlisted Shares to H Shares, have any interest and/or short position in the Shares or underlying Shares of our Company which will fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders."

4. Disclaimers

Save as disclosed in "History, Development and Corporate Structure" and "Business" and above:

(a) none of our Directors or experts named in "Qualifications of Experts" in this section is:

(i) interested in our promotion, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group; and

(b) none of our Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. PRE-[REDACTED] SHARE INCENTIVE SCHEME

The Company adopted a share option plan in June 2021 for the purpose of attracting and retaining talents who promote the success of the Group's operations. In preparation for the Proposed **[REDACTED]**, the Company has converted the foregoing share option plan into the Pre-**[REDACTED]** Share Incentive Scheme which was approved on January 5, 2026. The terms of the Pre-**[REDACTED]** Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-**[REDACTED]** Share Incentive Scheme does not involve the grant of new options or awards by our Company to subscribe for H Shares after the **[REDACTED]**. The Pre-**[REDACTED]** Share Incentive Scheme will not cause any dilution of the shareholding of our Shareholders after the **[REDACTED]** given all underlying Shares of the awards granted under the Pre-**[REDACTED]** Share Incentive Scheme have been issued to the relevant Employee Incentive Platforms.

The following is a summary of the principal terms of the Pre-**[REDACTED]** Share Incentive Scheme:

(a) Objectives

The objectives of the Pre-**[REDACTED]** Share Incentive Scheme are to enhance the Company's incentive mechanism, align participants' interests with shareholder value and promote the Company's sustainable long-term development.

(b) Eligibility

Pursuant to the plan measures for the Pre-**[REDACTED]** Share Incentive Scheme (the "**Plan Measures**"), participants (the "**Participants**") of the Pre-**[REDACTED]** Share Incentive Scheme include directors, full-time employees of our Company, its subsidiaries and branches, as well as other eligible recipients approved by the administrator of the Pre-**[REDACTED]** Share Incentive Scheme, Mr. Li (the "**Administrator**").

(c) Grant of Awards

Our Company has established the Employee Incentive Platforms, which hold Shares of our Company, to implement the Pre-**[REDACTED]** Share Incentive Scheme. Each Participant will be granted restricted shares representing economic interests in the relevant Employee Incentive Platforms ("**Awards**") as a limited partner. Through such limited partnership interests, and upon becoming a limited partner of the relevant Employee Incentive Platforms, the Participant will indirectly be entitled to the economic interests in the number of Shares underlying the Awards held by such Employee Incentive Platforms.

(d) Payment of the Price of the Awards

The Participants must subscribe for the Awards with personal funds or self-financed funds, and should ensure that their source of funds is lawful. The subscription period of the Awards shall be determined by the Administrator. The Participants shall make the corresponding payment for Awards timely.

(e) Administration

Pursuant to the Plan Measures, all management powers of our Pre-**[REDACTED]** Share Incentive Scheme and Plan Measures reside with the Administrator. The Administrator is authorized to determine, at its discretion and decide matters in accordance with the provisions of the Pre-**[REDACTED]** Share Incentive Scheme and relevant documents.

The administrator may, as necessary, authorize designated personnel of the Company to handle administrative matters related to the Pre-**[REDACTED]** Share Incentive Scheme.

(f) Restrictions on transfer

Prior to the **[REDACTED]**, the Participants may not transfer any of his or her interest in the relevant Employee Incentive Platforms unless specified in the relevant share incentive documents or with the written approval of the Administrator.

After the **[REDACTED]**, in addition to the restrictions under the Pre-**[REDACTED]** Share Incentive Scheme, the transfer or sale by the Participants shall be subject to the lock-up requirements under the relevant laws and regulations and the Listing Rules.

(g) Rights attached to the Awards

Unless otherwise determined by the Administrator, all voting rights and other non-economic rights attached to the Awards held by the Participants shall be unconditionally, irrevocably and indefinitely granted to the Administrator for exercise from the date of grant. For matters where the PRC laws require the Participant to vote in person, the Participant shall vote in a manner consistent with the Administrator.

(h) Tax

Each Participant shall be solely responsible for any taxes arising from their participation in the Pre-**[REDACTED]** Share Incentive Scheme or the exercise of any rights under the Pre-**[REDACTED]** Share Incentive Scheme, and shall pay such taxes in a timely and full manner. To the extent required by applicable laws or tax authorities, the Company and/or the Employee Incentive Platforms shall have the right to withhold and deduct any taxes on behalf of the Participants, and each Participant shall unconditionally agree to and cooperate with such arrangements.

Employee Incentive Platforms

The Company has established nine Employee Incentive Platforms. As of the Latest Practicable Date, an aggregate of 4,015,800 Shares corresponding to the Awards granted, representing approximately 12.92% of the total issued share capital of our Company, were issued to the Employee Incentive Platforms. Such Shares have been issued on a one-off basis and no Shares will be issued under the Pre-**[REDACTED]** Share Incentive Scheme after the **[REDACTED]**. As all Shares under the Pre-**[REDACTED]** Share Incentive Scheme have already been issued to the Employee Incentive Platforms, there will not have any dilution effect on the shareholding of the Company upon **[REDACTED]**.

Qiheng Partnership is a limited partnership established under the laws of the PRC, of which the executive partner is Huide Information Technology, holding approximately 1.34% of its partnership interest and ultimately controlled by Mr. Li. As of the Latest Practicable Date, the remaining partnership interest was held by 27 limited partners, including (i) three Directors, Mr. Li, Mr. Liang Kexue (梁克學) ("**Mr. Liang**") and Mr. Zhuge Xin (諸葛鑫) ("**Mr. Zhuge**"), held approximately 50.75%, 5.33% and 4.96% partnership interest therein, respectively; and (ii) 24 other participants who are our employees or former employees, held approximately 37.61% of the partnership interest in aggregate and none of them holds more than 30% of the partnership interest.

Qide Partnership is a limited partnership established under the laws of the PRC, of which the executive partner is Huide Information Technology, holding approximately 1.00% of its partnership interest. As of the Latest Practicable Date, the remaining partnership interest was held by 26 limited partners, including (i) two Directors, Mr. Li and Mr. Liang, held approximately 89.97% and 2.00% partnership interest therein, respectively; and (ii) 24 other participants who are our employees or former employees held approximately 7.03% of the partnership interest in aggregate and none of them holds more than 30% of the partnership interest.

Qikun Partnership is a limited partnership established under the laws of the PRC, of which the executive partner is Huide Information Technology, holding approximately 3.91% of its partnership interest. As of the Latest Practicable Date, the remaining partnership interest was held by seven limited partners, including (i) three Directors, Mr. Li, Mr. Liang and Mr. Zhuge, held approximately 26.82%, 11.63% and 14.11% partnership interest therein, respectively; and (ii) four other participants who are our employees or former employees held approximately 43.52% of the partnership interest in aggregate and none of them holds more than 30% of the partnership interest.

Qihao Partnership is a limited partnership established under the laws of the PRC, of which the executive partner is Huide Information Technology, holding approximately 1.00% of its partnership interest. As of the Latest Practicable Date, Qihao Partnership had six limited partners, with Mr. Li being the largest limited partner and held 49.00% of the partnership interest therein, the other limited partners of Qihao Partnership, Qike Partnership, Qichuang Partnership, Qiyuan Partnership and Qizhi Partnership, each held approximately 10.00% of its partnership interest, respectively. Each of Qituo Partnership, Qike Partnership, Qichuang Partnership, Qiyuan Partnership and Qizhi Partnership is a

limited partnership incorporated in the PRC and an incentive platform under the Pre-**[REDACTED]** Share Incentive Scheme, of which the executive partner is Huide Information Technology, held approximately 1.00% partnership interest in each of them.

As of the Latest Practicable Date:

(i) the remaining partnership interest of Qituo Partnership was held by 45 limited partners, including (i) one Director, Mr. Li, who held approximately 26.83% partnership interest; (ii) one member of senior management, Dr. Alexander Maximilian Fernandez, who held 10.00% partnership interest; (iii) one connected person held 2.00% partnership interest; and (iv) 42 other participants who are our employees or former employees, held approximately 60.17% of the partnership interest in aggregate and none of them holds more than 30% of the partnership interest.

(ii) the remaining partnership interest of Qike Partnership was held by 46 limited partners, including (i) two Directors, Mr. Li and Mr. Liang, held approximately 25.42% and 5.00% partnership interest, respectively; and (ii) 44 other participants who are our employees, held approximately 68.58% of the partnership interest in aggregate and none of them holds more than 30% of the partnership interest.

(iii) the remaining partnership interest of Qichuang Partnership was held by 46 limited partners, including (i) one Director, Mr. Li, who held approximately 42.16% partnership interest; and (ii) 45 other participants who are our employees or former employees, held approximately 56.84% of the partnership interest in aggregate and none of them holds more than 30% of the partnership interest.

(iv) the remaining partnership interest of Qiyuan Partnership was held by 46 limited partners, including (i) one Director, Mr. Li, who held approximately 42.43% partnership interest; (ii) one member of senior management, Dr. Wu Qiwei, who held 20.00% partnership interest; and (iii) 44 other participants who are our employees or former employees, held approximately 36.57% of the partnership interest in aggregate and none of them holds more than 30% of the partnership interest.

(v) the remaining partnership interest of Qizhi Partnership was held by 47 limited partners, including (i) two Directors, Mr. Li and Mr. Zhuge, held approximately 73.19% and 2.73% partnership interest, respectively; and (ii) 45 other participants who are our employees, held approximately 23.08% of the partnership interest in aggregate.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or our subsidiary.

2. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the **[REDACTED]** of, and permission to deal in, the H Shares to be issued pursuant to the **[REDACTED]** and the H Shares to be converted from Unlisted Shares, on the Main Board of the Stock Exchange. The Sole Sponsor will receive an aggregate fee of US$500,000 for acting as sole sponsor for the **[REDACTED]**. The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

3. Preliminary Expense

As of the Latest Practicable Date, our Company did not incur any material preliminary expense.

4. Promotors

The promoters of our Company are all the then Shareholders as of January 21, 2026 immediately before our conversion into a joint stock limited company. Save as otherwise disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promotors of our Company in connection with the **[REDACTED]** or the related transactions as described in this document.

5. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
Dongxing Securities (Hong Kong) Company Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
JunHe LLP	Legal advisor to our Company as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant
Avista Group	Independent Property Valuer

6. Consent of Experts

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

7. Stamp Duty

The sale, purchase and transfer of H Shares will be subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

8. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

9. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Miscellaneous

(a) Save as otherwise disclosed "Financial Information," "History, Development and Corporate Structure" and "**[REDACTED]**," within the two years immediately preceding the issue of this document:

(i) no share or debenture of any member of our Group has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid up otherwise than in cash;

(ii) no share or debenture of any member of our Group is under option or agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group; and

(iv) no commission has been paid or is payable for subscribing, agreeing to subscribe, procuring or agreeing to procure subscriptions for any shares in or debentures of our Company.

(b) There are no founder or management or deferred shares in our Company.

(c) There is no arrangement under which future dividends are waived or agreed to be waived.

(d) There are no contracts for the hire or hire purchase of plant to or by our Group for a period of over one year which are substantial in relation to our Group's business.

(e) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months.

(f) No part of the equity or debt securities of our Company is **[REDACTED]** or dealt in on any stock exchange, and no such **[REDACTED]** or permission to deal on any stock exchange other than the Stock Exchange is being or is proposed to be sought.

(g) Our Company has no outstanding convertible debt securities or debentures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Appendix V – Statutory and General Information – E. Other Information – 6. Consent of Experts;" and

(b) a copy of the material contract referred to in "Appendix V – Statutory and General Information – B. Further Information about Our Business – 1. Summary of Material Contract."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.intellectivebio.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2025;

(d) the report prepared by Deloitte Touche Tohmatsu on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the property valuation report prepared by Avista Group, the text of which is set out in Appendix III to this document;

(f) the PRC legal opinion issued by JunHe LLP, our PRC Legal Advisor, in respect of certain general corporate matters and property interests of our Group under PRC law;

(g) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in "Industry Overview;"

(h) the material contract referred to in "Appendix V – Statutory and General Information – B. Further Information about Our Business – 1. Summary of Material Contract;"

(i) the written consents referred to in "Appendix V – Statutory and General Information – E. Other Information – 7. Consent of Experts;"

(j) the service contracts referred to in "Appendix V – Statutory and General Information – C. Further Information about Our Directors and Substantial Shareholders – 1. Particulars of Directors' Service Contracts;"

(k) the terms of the Pre-**[REDACTED]** Share Incentive Scheme; and

(l) the PRC Company Law and the Overseas Listing Trial Measures, together with their unofficial English translations.