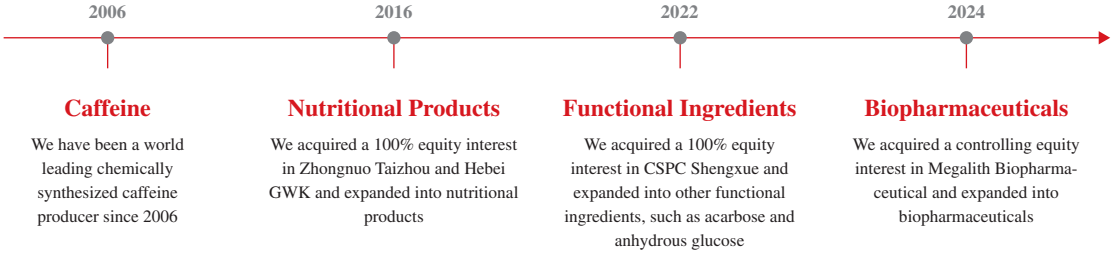
SUMMARY

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 and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. 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 forth in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

Who We Are

We are an innovation-driven researcher, developer, and manufacturer of a diverse offering of caffeine and other functional ingredients, nutritional products, and biopharmaceuticals. We pride ourselves on our commitment to health and wellness:



Since our inception in 2006, we have dedicated ourselves to the research and production of high-quality caffeine. From 2020 to 2025, we have been the world's largest producer of chemically synthesized caffeine, both in terms of revenue and shipment volume, according to Frost & Sullivan. We primarily produce caffeine for use as a food additive in functional beverages. We have been a global caffeine supplier to industry giants such as The Coca-Cola Company since 2006, PepsiCo since 2007 and Red Bull GmbH since 2008.

In 2016, we expanded our business into nutritional products. Our nutritional products are formulated to meet diverse consumer needs for essential nutrients. Today, Guoweikang (果维康®) has been recognized as a well-known trademark (馳名商標) in China and our sales network of nutritional products has covered over 270 chain pharmacies nationwide.

In 2022, we acquired a 100% equity interest in CSPC Shengxue. Since then, we have broadened our product portfolio to include other functional ingredients, such as acarbose and anhydrous glucose. From 2020 to 2025, we have been one of the largest domestic companies in China certified for manufacturing acarbose as an active pharmaceutical ingredient ("**API**"), both in terms of revenue and shipment volume, according to Frost & Sullivan.

In 2024, we acquired a controlling equity interest in Megalith Biopharmaceutical, and established ourselves as a new force in the biopharmaceutical industry. We primarily focus on developing novel therapies against differentiated targets with versatile modalities. We strategically target therapeutic areas with unmet medical needs and significant growth potential, such as oncology, autoimmune diseases, and infectious diseases. Today, we have built our extensive expertise in the fields of antibody drugs, antibody drug conjugates ("**ADCs**"), and mRNA vaccines.

Our Product Portfolio

Functional Ingredients and Nutritional Products

We primarily produce caffeine for use as a food additive and other functional ingredients for use as APIs or food additives. The following diagram sets forth the functional ingredients we offer and their major applications.

Functional Ingredients		Key Applications
Caffeine Products	**Caffeine**	Food and beverage additive or API. It is used to refresh and awaken the mind, enhance physical agility, and provide benefits such as relieving depression, supporting weight control, improving digestion, diuresis, and constipation, as well as alleviating pain.
	Theophylline, Aminophylline, Doxofylline, and Diprophylline	APIs. They are primarily used to promote cardiac stimulation, diuresis, coronary artery dilation, relaxation of bronchial smooth muscle, and central nervous system stimulation.
	Theobromine, Pentoxifylline	APIs. They are primarily used to promote diuresis, myocardial stimulation, vasodilation, and smooth muscle relaxation.
	Acarbose	API. It is used to prevent sharp postprandial blood glucose spikes and promote effective blood glucose management for individuals with diabetes or those at risk of developing diabetes.
	Anhydrous Glucose	Food additive or API. It is used in the pharmaceutical industry to be prepared into oral liquid or intravenous injection as a nutritional supplement. In addition, it is used in the food industry as a sweetener in the form of edible sugar, or as a reducing agent or component for biological culture medium preparation.

We offer a comprehensive range of nutritional products. As illustrated in the diagram below, they are formulated in direct response to diverse consumers' health needs, such as enhancing immunity, strengthening bones, providing antioxidant support, supplementing minerals, and promoting eye health.

Biopharmaceuticals

As of the Latest Practicable Date, we had commercialized three antibody drugs, namely Enshuxing (恩舒幸®) (an anti-PD-1 mAb), a Category 1 innovative drug, Enyitan (恩益坦®), the first omalizumab biosimilar in China, and Enyike (恩益克®), a ustekinumab biosimilar. Our two mRNA vaccines, namely Duentai (度恩泰®), the first domestically developed mRNA COVID-19 vaccine, and Duentai 2, our bivalent mRNA COVID-19 vaccine targeting the then-dominant variants represented by XBB.1.5, were included for emergency use in China in 2023. In addition, we had a strong pipeline of over 15 drug candidates in clinical or later stages of development, including nine ADC drug candidates and one mRNA vaccine candidate.

Drug Name/ Code	Target(s)	Indication (Line of Treatment)	Mono/ Combo	Preclinical	IND	Phase I	Phase II	Phase III	NDA/BLA	Approval	Current Status/Next Milestone	Commercialization Rights
Antibody Drugs												
Enlonstobart† (SYSA1802)	PD-1	Advanced cervical cancer (2L+)	Mono							NMPA	NMPA approval obtained in June 2024[1]	Greater China Region[2]
		Recurrent or metastatic cervical cancer (1L)	+Chemo ±Bevacizumab					NMPA			Phase III trial initiated in January 2023; expected BLA submission in 2028	
Omalizumab† (SYSA1903)	IgE	Chronic spontaneous urticaria	Mono							NMPA	NMPA approval obtained in September 2024	Chinese Mainland[3]
		Moderate-to-severe persistent allergic asthma	Mono							NMPA	NMPA approval obtained in February 2025	
Ustekinumab (SYSA1902)	IL-12/IL-23p40	Moderate-to-severe psoriasis	Mono							NMPA	NMPA approval obtained in May 2026	Global
Pertuzumab (SYSA1901)	HER2	HER2 positive early or locally advanced breast cancer	+Trastuzumab and docetaxel						NMPA		BLA accepted in November 2025; expected approval in 2027	Global
Secukinumab (SYS6012)	IL-17A	Moderate-to-severe plaque psoriasis	Mono						NMPA		Phase III: initiated in June 2024; completed in January 2026; expected approval in 2027	Global
SYS6090	PD-1/IL15	Advanced malignant neoplasm	Mono				NMPA/FDA				Phase II trial: initiated in March 2026; expected completion in 2028	Global
Dupilumab (SYS6033)	IL-4Ra	Moderate to severe atopic dermatitis	Mono			NMPA					Phase I trial: initiated in October 2025; expected completion in 2026	Global
ADC Drugs												
SYS6010[4]	EGFR	EGFR mutated advanced NSCLC (2L)	Mono					NMPA			Phase III trial: initiated in March 2025; expected completion in 2026	Global
		EGFR mutated advanced NSCLC (1L)	+Osimertinib					NMPA			Phase III trial: initiated in March 2026; expected completion in 2029	
		Esophageal squamous cell carcinoma (2L)	Mono					NMPA			Phase III trial: initiated in March 2026; expected completion in 2028	
		HER2 negative, EGFR positive breast cancer	Mono					NMPA			Phase III trial: initiated in March 2026; expected completion in 2028	
		EGFR wild-type nsq-NSCLC (2L)	Mono					NMPA			Phase III trial: initiated in March 2026; expected completion in 2029	
		EGFR wild-type advanced NSCLC (1L) and advanced solid tumors	+PD-1				NMPA				Phase II trial: initiated in September 2024; expected completion in 2027	
		Esophageal squamous cell carcinoma (1L)	+PD-1+Chemo				NMPA				Phase II trial: initiated in November 2025; expected completion in 2028	
		HNSCC (1L)	+PD-1				NMPA				Phase II trial: initiated in November 2025; expected completion in 2027	
		Neoadjuvant treatment of EGFR mutated nsq-NSCLC	+Osimertinib				NMPA				Phase II trial: initiated in November 2025; expected completion in 2027	
		Advanced solid tumors (gastric cancer, lung cancer, breast cancer, etc.)	Mono or +SYH2051 (a selective ATM inhibitor)			NMPA					Phase Ib trial: initiated in November 2024; expected completion in 2026	
		Multiple advanced solid tumors	Mono			NMPA/FDA					Phase I trial: initiated in May 2023; expected completion in 2028	
SYS6002	Nectin-4	Cervical cancer (2L+)	Mono vs. Chemo					NMPA			Phase III trial: initiated in December 2025; expected completion in 2027	Excluding the U.S., the EU, and seven other countries and regions[5]
		Advanced urothelial carcinoma (1L) and other solid tumors	+PD-1				NMPA				Phase II trial: initiated in July 2024; expected completion in 2028	
		Multiple advanced solid tumors	Mono			NMPA					Phase I trial: initiated in November 2022; expected completion in 2026	
DP303c	HER2	HER2 positive advanced breast cancer (2L+)	Mono					NMPA			Phase III trial: initiated in January 2024; expected completion in 2026	Global
SYS6043	B7-H3	Multiple advanced solid tumors	Mono				NMPA/FDA				Phase II trial: initiated in August 2025; expected completion in 2027	Global
		SCLC and other advanced solid tumors	+PD-(L)1, ±Chemo				NMPA				Phase II trial: initiated in March 2026; expected completion in 2028	
SYS6023	HER3	Advanced breast cancer	+Anbenitamab				NMPA				Phase II trial: initiated in May 2026; expected completion in 2028	Global
		Multiple advanced solid tumors	Mono			NMPA					Phase I trial: initiated in August 2024; expected completion in 2028	
SYS6041	FRα	Multiple advanced solid tumors	Mono			NMPA					Phase I trial: initiated in February 2025; expected completion in 2026	Global
SYS6005	ROR1	Multiple advanced malignancies	Mono			NMPA					Phase I trial: initiated in February 2025; expected completion in 2027	Excluding the U.S., the EU, and 11 other countries and regions
SYS6040	DLL3	Multiple advanced solid tumors	Mono			NMPA					Phase I trial: initiated in April 2025; expected completion in 2027	Global
SYS6051	TF	Multiple advanced solid tumors	Mono			NMPA					Phase I trial: initiated in May 2026; Phase II trial: expected initiation in 2027	Global
mRNA Vaccines												
Duentai (SYS6006)	/	BA.5 variant strain of COVID-19	Mono							NMPA	NMPA approval obtained in March 2023	Global
Duentai 2 (SYS6006.32)	/	XBB1.5/BQ.1 variant strain of COVID-19	Mono							NMPA	NMPA approval obtained in December 2023	Global
SYS6017	/	varicella zoster virus	Mono				NMPA				Phase II trial: initiated in January 2026; expected completion in 2027	Global

NMPA Breakthrough Therapy Designation U.S. FDA Fast Track Designation † In-licensed products

Notes:

† The list is non-exhaustive

(1) In June 2024, enlonstobart was approved by the NMPA for the treatment of recurrent or metastatic cervical cancer, conditioned upon confirmatory randomized controlled clinical trial results demonstrating its clinical benefit.

(2) In 2018, CSPC Ouyi entered into an exclusive agreement with Sumgen to develop and commercialize enlonstobart (then known as SYSA1802) in the Greater China Region. In May 2023, Megalith Biopharmaceutical, a subsidiary of our Company, entered into a rights transfer agreement with CSPC Ouyi, pursuant to which we obtained all of CSPC Ouyi's rights to enlonstobart. For details, see "Business—Material Collaboration and Licensing Arrangements—Rights Transfer Agreement for Enlonstobart."

(3) In 2019, CSPC Baike entered into an exclusive agreement with Synermore to develop and commercialize omalizumab (then known as SYSA1903) in Chinese Mainland. In April 2023, Megalith Biopharmaceutical, a subsidiary of our Company, entered into a rights transfer agreement with CSPC Baike, pursuant to which we obtained all of CSPC Baike's rights to omalizumab. For details, see "Business—Material Collaboration and Licensing Arrangements—Rights Transfer Agreement for Omalizumab."

(4) The NMPA has granted two breakthrough therapy designations to SYS6010 for its intended indication as a monotherapy for (i) the treatment of EGFR mutation-positive advanced NSCLC after failure of EGFR TKIs and platinum-based chemotherapy, and (ii) the treatment of patients with unresectable locally advanced or metastatic ESCC who have experienced treatment failure after receiving first-line platinum-containing chemotherapy and immune checkpoint inhibitors. The U.S. FDA has granted three fast track designations to SYS6010 for the treatment of (i) metastatic NSCLC patients with EGFR mutations who are relapsed/refractory to or ineligible for EGFR targeting therapy such as third generation EGFR inhibitors including osimertinib; (ii) patients with recurrent or metastatic squamous NSCLC with EGFR over-expression that has progressed on or after treatment with platinum-based chemotherapy and anti-PD-(L)1 therapy; and (iii) adult patients with advanced or metastatic nsq-NSCLC without EGFR mutations or other actionable genomic alterations, with prior disease progression on platinum-based chemotherapy and an anti-PD-(L)1 antibody.

(5) In February 2023, we entered into an out-licensing agreement with Corbus Pharmaceuticals, pursuant to which we agreed to grant Corbus Pharmaceuticals the exclusive rights to develop and commercialize SYS6002 in the United States, the European Union, United Kingdom, Canada, Australia, Iceland, Liechtenstein, Norway, and Switzerland. For details, see "Business—Material Collaboration and Licensing Arrangements—Exclusive License Agreement with Corbus Pharmaceuticals."

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) our established leadership in caffeine; (ii) advanced ADC platform demonstrated by diverse pipeline products; (iii) strong mRNA vaccine development capability; (iv) strong manufacturing capability supported by global-standard quality management; (v) effective global sales and distribution network to unlock full commercial potential; and (vi) visionary management and talent to fuel our long-term growth. For details, see "Business—Our Competitive Strengths."

OUR STRATEGIES

We intend to further grow our business by implementing the following strategies: (i) solidifying our leadership in functional ingredients business; (ii) advancing biopharmaceutical R&D with a focus on frontier technologies; (iii) accelerating drug development to address indications in areas of high unmet medical need; (iv) establishing world-class manufacturing system; (v) accelerating our expansion into the global biopharmaceutical market; and (vi) enhancing commercialization capabilities and strengthen our brand recognition. For details, see "Business—Our Strategies."

COMPETITIVE LANDSCAPE

We are confronted by considerable competition in the market for our products, and our key competitors vary by product category.

The global chemically synthesized caffeine market is highly concentrated, dominated by a limited number of players with strong brand recognition, extensive networks, and long-term customer loyalty. China is the most important producer of caffeine, with production mainly concentrated in several enterprises with designated caffeine production qualifications. In 2025, the top three players in China's chemically synthesized caffeine market, in aggregate, accounted for over 90% of the market share in terms of revenue, with us leading the market by capturing a 50.7% share, according to Frost & Sullivan. Key factors for competition include product quality, price and

production capabilities. With stable product quality, cost advantages brought by large-scale production and a comprehensive supply chain system, we expect to stay competitive and sustain our market leadership in China and globally.

China's pharmaceutical market is highly competitive, characterized by a number of well-known multinational companies, regionally-strong players and companies, as well as some smaller emerging pharmaceutical and biotechnology companies. Our biopharmaceutical products face, and will continue to face, significant competition from existing therapies, as well as biologics products that are currently commercialized or are under development, on the basis of efficacy, safety, price, and general market acceptance.

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

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of customers who purchase functional ingredients directly from us and distributors through which we sell our pharmaceutical products and nutritional products. In 2023, 2024, and 2025, we generated revenue of RMB1,009.0 million, RMB678.8 million, and RMB602.3 million from our five largest customers in each period, respectively, representing 39.7%, 34.3%, and 27.9% of our total revenue for these respective periods.

Our suppliers primarily consist of suppliers of raw materials and providers of technical, construction and engineering services. In 2023, 2024, and 2025, our aggregate purchases from our five largest suppliers in each period amounted to RMB883.1 million, RMB496.5 million, and RMB490.5 million, respectively, representing 39.5%, 25.3%, and 9.7% of our total purchase for these respective periods.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary financial data set forth below are derived from and should be read together with our financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**").

Summary of Consolidated Statement of Profit or Loss

The following table sets forth our selected consolidated statements of profit or loss for the periods indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**2,538,713**	**100.0**	**1,980,753**	**100.0**	**2,157,680**	**100.0**
Cost of sales	(1,380,949)	(54.4)	(1,152,170)	(58.2)	(1,333,038)	(61.8)
Gross profit	**1,157,764**	**45.6**	**828,583**	**41.8**	**824,642**	**38.2**
Other income	91,890	3.6	55,651	2.8	92,042	4.3
Other gains or losses, net	25,759	1.0	12,166	0.6	22,302	1.0
Research and development expenses	(671,397)	(26.4)	(842,701)	(42.5)	(1,061,011)	(49.2)
Selling and distribution expenses	(210,503)	(8.3)	(154,245)	(7.8)	(281,252)	(13.0)
Administrative expenses	(131,718)	(5.2)	(115,186)	(5.8)	(128,866)	(6.0)
Impairment losses under ECL model, net of reversal	5,622	0.2	2,925	0.1	(7,937)	(0.4)

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Share of result of an associate	12,580	0.5	(2,297)	(0.1)	(13,783)	(0.6)
Share of result of a joint venture	–	–	(324)	(0.0)	(331)	(0.0)
Finance costs	(17,859)	(0.7)	(6,373)	(0.3)	(21,817)	(1.0)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Profit/(loss) before tax	**262,138**	**10.3**	**(221,801)**	**(11.2)**	**(576,538)**	**(26.7)**
Income tax expense	(136,470)	(5.4)	(81,912)	(4.1)	(57,799)	(2.7)
Profit/(loss) for the year	**125,668**	**5.0**	**(303,713)**	**(15.3)**	**(634,337)**	**(29.4)**
Attributable to:						
Owners of the Company	434,436	17.1	53,471	2.7	(255,084)	(11.8)
Non-controlling interests	(308,768)	(12.2)	(357,184)	(18.0)	(379,253)	(17.6)
	125,668	**5.0**	**(303,713)**	**(15.3)**	**(634,337)**	**(29.4)**

Revenue

During the Track Record Period, we generated our revenue from (i) sales of functional ingredients and nutritional products, including caffeine products, acarbose, anhydrous glucose, and vitamin C buccal tablets, (ii) sales of biopharmaceuticals, out-licensing transactions and research services, and (iii) others, including sales of leftover materials, such as dilute acetic acid, ammonia, and other by-products from the production of our caffeine products.

The following table sets forth a breakdown of our total revenue by offering category, in absolute amounts and as a percentage of our total revenue, for the periods indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Functional ingredients and nutritional products	2,450,350	96.5	1,840,312	92.9	1,857,415	86.1
Biopharmaceuticals	34,702	1.4	87,797	4.4	256,933	11.9
Others	53,661	2.1	52,644	2.7	43,332	2.0
Total	**2,538,713**	**100.0**	**1,980,753**	**100.0**	**2,157,680**	**100.0**

The following table sets forth a breakdown of our total revenue by source, in absolute amounts and as a percentage of our total revenue, for the periods indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of goods[(1)]	2,504,013	98.6	1,961,224	99.0	2,154,884	99.9
License fee income	34,700	1.4	17,831	0.9	–	–
Provision of service[(2)]	–	–	1,698	0.1	2,796	0.1
Total	**2,538,713**	**100.0**	**1,980,753**	**100.0**	**2,157,680**	**100.0**

Notes:

(1) Our revenue generated from the sales of biopharmaceuticals was RMB2 thousand, RMB68.3 million, and RMB254.1 million in 2023, 2024 and 2025, respectively. For details, see Note 7 to the Accountants' Report in Appendix I to this document.

(2) Represents income generated from R&D services we provided to our related parties. For details, see Note 51(b) to the Accountants' Report in Appendix I to this document.

The following table sets forth a breakdown of our total revenue by geographical market based on the place of delivery of our customers, in absolute amounts and as a percentage of our total revenue, for the periods indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	1,283,087	50.5	1,027,423	51.9	1,127,681	52.3
Europe	419,320	16.5	336,444	17.0	333,704	15.5
North America	400,830	15.8	271,249	13.7	251,455	11.7
Rest of World	435,476	17.2	345,637	17.4	444,840	20.5
Total	**2,538,713**	**100.0**	**1,980,753**	**100.0**	**2,157,680**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit and gross profit margin by offering category for the periods indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Functional ingredients and nutritional products	1,114,446	45.5	729,086	39.6	644,667	34.7
Biopharmaceuticals	22,542	65.0	82,900	94.4	166,052	64.6
Others	20,776	38.7	16,597	31.5	13,923	32.1
Total	**1,157,764**	**45.6**	**828,583**	**41.8**	**824,642**	**38.2**

Profit/(Loss) for the Year

Our loss for the year increased from RMB303.7 million in 2024 to RMB634.3 million in 2025, primarily due to (i) an RMB218.3 million increase in research and development expenses, (ii) an RMB180.9 million increase in our cost of sales, and (iii) an RMB127.0 million increase in selling and distribution expenses, partially offset by an RMB176.9 million increase in our revenue.

We recorded a loss for the year of RMB303.7 million in 2024, compared to a profit for the year of RMB125.7 million in 2023. This change was primarily due to (i) an RMB558.0 million decrease in our revenue, and (ii) an RMB171.3 million increase in research and development expenses, partially offset by an RMB228.8 million decrease in our cost of sales.

Summary of Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total current assets	4,617,624	2,802,404	2,853,148
Total non-current assets	2,969,584	3,334,213	3,512,664
Total assets	**7,587,208**	**6,136,617**	**6,365,812**
Total current liabilities	1,903,914	1,434,296	2,709,139
Total non-current liabilities	85,023	91,891	771,906
Total liabilities	**1,988,937**	**1,526,187**	**3,481,045**
Net current assets	**2,713,710**	**1,368,108**	**144,009**
Net assets	**5,598,271**	**4,610,430**	**2,884,767**
Share capital	1,170,742	1,404,593	1,404,593
Reserves	4,168,732	2,384,346	1,334,351
Equity attributable to owners of the Company	**5,339,474**	**3,788,939**	**2,738,944**
Non-controlling interests	258,797	821,491	145,823
Total equity	**5,598,271**	**4,610,430**	**2,884,767**

Net Current Assets

Our net current assets decreased from RMB1,368.1 million as of December 31, 2024 to RMB144.0 million as of December 31, 2025, primarily due to (i) an RMB550.0 million increase in loans from the immediate holding company, (ii) an RMB415.4 million increase in other payables, (iii) an RMB300.8 million increase in trade payables, and (iv) an RMB231.9 million decrease in financial assets at FVTPL. The decrease was partially offset by (i) an RMB149.7 million increase in prepayments and other receivables, and (ii) an RMB127.2 million increase in trade receivables.

Our net current assets decreased from RMB2,713.7 million as of December 31, 2023 to RMB1,368.1 million as of December 31, 2024, primarily due to an RMB2,911.2 million decrease in bank balances and cash. This decrease was partially offset by (i) an RMB804.3 million decrease in trade payables, (ii) financial assets at FVTPL of RMB825.6 million, and (iii) an RMB300.0 million increase in loans from the immediate holding company.

For further details, see "Financial Information—Net Current Assets."

Net Assets

Our net assets, being the total equity, decreased from RMB4,610.4 million as of December 31, 2024 to RMB2,884.8 million as of December 31, 2025, primarily due to acquisition of additional interests in a subsidiary of RMB1,075.8 million and loss for the year of RMB634.3 million, partially offset by interest waived by the immediate holding company and discount on interest free loans from the immediate holding company of RMB19.0 million.

Our net assets, being the total equity, decreased from RMB5,598.3 million as of December 31, 2023 to RMB4,610.4 million as of December 31, 2024, primarily due to (i) dividends recognized as distribution of RMB374.2 million, (ii) repurchase of shares of RMB316.8 million, and (iii) loss for the year of RMB303.7 million in 2024.

For further details, see consolidated statements of changes in equity in the Accountants' Report in Appendix I to this document.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash from/(used in) operating activities	660,956	(1,140,405)	(296,013)
Net cash used in investing activities	(479,664)	(1,386,808)	(238,192)
Net cash from/(used in) financing activities	1,358,551	(391,819)	424,193
Net increase/(decrease) in cash and cash equivalents	1,539,843	(2,919,032)	(110,012)
Cash and cash equivalents at the beginning of year	2,203,586	3,770,190	858,983
Effects of foreign exchange rate changes	26,761	7,825	20,266
Cash and cash equivalents at the end of the year	**3,770,190**	**858,983**	**769,237**

We recorded net operating cash outflow of RMB1,140.4 million and RMB296.0 million in 2024 and 2025, respectively, primarily due to increased inventories and R&D expenses associated with the business growth of our biopharmaceutical business. For further details, see "Financial Information—Liquidity and Capital Resources—Cash Flows."

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios for the periods or as of the dates indicated:

	For the Year Ended/As of December 31,		
	2023	2024	2025
Current ratio	2.4	2.0	1.1
Quick ratio	2.3	1.7	0.9
Gross profit margin	45.6%	41.8%	38.2%

For details of calculation, see "Financial Information—Key Financial Ratios."

SUMMARY OF MATERIAL RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our [**REDACTED**]. The principal risks we face include: (i) we had net losses in 2024 and 2025, and our historical operational and financial performance may not be indicative of our future performance; (ii) we recorded net operating cash outflow in the past, which may continue in the future; (iii) failure to achieve or maintain market acceptance for our products could have an adverse impact on our profitability and business prospects; (iv) decreases in our products' sales volume and price levels, and changes in the cost structures may adversely affect our revenue and profitability; (v) we operate in a highly competitive environment, and we may not be able to compete effectively against current and future competitors, which could adversely affect our revenue and profitability; and (vi) all material aspects of our operations are heavily regulated, and any failure to comply with these regulations could have a material adverse effect on our business.

OUR CONTROLLING SHAREHOLDERS AND CONTINUING CONNECTED TRANSACTIONS

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), NBP Pharmaceutical, directly and indirectly through its wholly owned subsidiary, CSPC Ouyi, will be interested in and control [**REDACTED**] A Shares, representing approximately [**REDACTED**]% of our total issued share capital (excluding 12,000,225 A Shares repurchased and held in our Company's stock repurchase account as treasury shares as of the Latest Practicable Date). As of the Latest Practicable Date, NBP Pharmaceutical was owned as to 45.94% and 54.06% by Dragon Merit and CSPC Pharmaceutical, respectively. Dragon Merit was wholly owned by Robust Sun which was in turn wholly owned by CSPC Pharmaceutical. As such, NBP Pharmaceutical, CSPC Ouyi, Robust Sun, Dragon Merit and CSPC Pharmaceutical will constitute a group of Controlling Shareholders upon [**REDACTED**]. For further details about our Controlling Shareholders, please refer to the sections headed "History and Corporate Structure", "Relationship with Our Controlling Shareholders" and "Substantial Shareholders" in this document.

In addition, certain transactions between us and certain subsidiaries of each of CSPC Pharmaceutical and CSPC Holdings Company Limited will constitute continuing connected transactions upon [**REDACTED**], details of which are set out in the section headed "Connected Transactions" in this document.

RECENT DEVELOPMENTS

Strategic Collaboration and License Agreement with AstraZeneca

In January 2026, Megalith Biopharmaceutical, a subsidiary of our Company, together with CSPC Pharmaceutical Group Limited and CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd. (together, the "**Licensor Group**"), entered into a strategic collaboration and license agreement with AstraZeneca. Under this agreement, the Licensor Group agreed to grant AstraZeneca an exclusive license to develop, manufacture and commercialize its once-monthly injectable weight management portfolio in the territories outside of the Greater China Region. Both parties will also collaborate on four new programs leveraging the Licensor Group's proprietary technologies. AstraZeneca agreed to make (i) upfront payment of US$1.2 billion to the Licensor Group (including US$420 million payable to Megalith Biopharmaceutical), (ii) development and regulatory milestone payments of up to US$3.5 billion, (iii) sales milestone payments of up to US$13.8 billion, and (iv) sales royalties. For details, see "Business—Material Collaboration and Licensing Arrangements—Strategic Collaboration and License Agreement with AstraZeneca."

NMPA Approval of Enyike

In May 2026, Enyike, our ustekinumab biosimilar, was approved by the NMPA for the treatment of adult patients with moderate-to-severe plaque psoriasis who have not responded to, have contraindications to, or are intolerant of other systemic therapies, including cyclosporine, methotrexate, or PUVA treatment, as well as pediatric patients aged 6 years and older (weighing 60 kg to 100 kg) with moderate-to-severe plaque psoriasis who have had an inadequate response to or are intolerant of other systemic therapies or phototherapy.

ADC Clinical Developments

In March 2026, we initiated four Phase III clinical trials of SYS6010, our lead ADC drug candidate, in China. These include (i) a Phase Ib/III clinical trial to evaluate SYS6010 in combination with osimertinib for the first-line treatment of EGFR-mutated advanced NSCLC; (ii) a Phase III clinical trial to evaluate SYS6010 as monotherapy for the second-line treatment of esophageal squamous cell carcinoma; (iii) a Phase III clinical trial to evaluate SYS6010 as monotherapy for the second-line and later treatment of HER2-negative, EGFR-positive breast cancer; and (iv) a Phase III clinical trial to evaluate SYS6010 as monotherapy for the second-line treatment of EGFR wild-type nsq-NSCLC.

In May 2026, we initiated the Phase I clinical trial of SYS6051, a TF ADC, as a monotherapy for the treatment of multiple advanced solid tumors in China. We had also obtained IND approval for the clinical trial of SYS6051 from the U.S. FDA in April 2026.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, other than as described above, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the latest date of our consolidated financial statements as set out in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

OUR LISTING ON THE SZSE CHINEXT MARKET

Since March 2019, our A Shares have been listed on the SZSE ChiNext Market. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [**REDACTED**] attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Adviser is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable.

[**REDACTED**]

[**REDACTED**]

FUTURE PLANS AND [**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] million (after deducting the [**REDACTED**] and other estimated expenses payable by us in connection with the [**REDACTED**]), assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the [**REDACTED**] stated in this document, and assuming the [**REDACTED**] is not exercised. We intend to use the [**REDACTED**] of the [**REDACTED**] for the following purposes: approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund our R&D of biopharmaceuticals; approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund acquisitions of companies or drug assets that align with our strategic areas of focus, to expand our product portfolio and further enhance our technological capabilities; approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the commercialization of approved products and late-stage product candidates that are close to market launch, as well as the improvement of our brand recognition; and approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes.

The above allocation of 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 estimated [**REDACTED**]. See "Future Plans and [**REDACTED**]" for further details.

DIVIDENDS

Any distributable profits that are not distributed in any given year will be retained and become available for distribution in subsequent years. Pursuant to our Articles of Association, the amount of the dividends distributed in every three years should be at least 30% of our profits for these three years that are available for distribution, subject to certain specified conditions. Apart from the principles for profit distribution set out in our Articles of Association, we had not adopted any formal dividend policy or specified dividend pay-out ratio as of the Latest Practicable Date. In 2023, 2024 and 2025, we declared a final dividend of RMB97.6 million, RMB374.2 million and RMB27.9 million in respect of the years ended December 31, 2022, 2023 and 2024, respectively. As of the Latest Practicable Date, we had paid these dividends in full. See "Financial Information—Dividends" for more information on factors affecting our dividend distribution.

[**REDACTED**]