You should read the following discussion and analysis with our historical financial information, as of and for each of the years ended December 31, 2023, 2024 and 2025, and the notes thereto, included in the Accountants' Report in Appendix I to this document. Our historical financial information has been prepared to present the financial position, results of operations, and cash flows in accordance with the basis of preparation and presentation set out in Note 2.1 to the Accountants' Report.

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. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "Forward-looking Statements" and "Risk Factors." 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".

OVERVIEW

We are a China-based comprehensive pharmaceutical enterprise specializing in the treatment of kidney diseases, with growing drug development, manufacturing and commercialization capabilities. We are dedicated to providing diversified therapeutic solutions for the treatment of kidney and hematologic diseases and other major disease areas. We have developed a diversified and differentiated product portfolio that provides a comprehensive coverage of kidney diseases and also covers other major disease areas such as hematologic, respiratory, cardiovascular and cerebrovascular diseases. As of the Latest Practicable Date, our product portfolio included 27 commercialized drugs and one newly approved drug, comprising five drugs obtained by us as part of the Kyowa Kirin China Acquisition, four drugs licensed-in by us on an exclusive basis in China and 19 third-party CSO drugs. We have established a robust and dynamic business development model driven by multiple strategies, including mergers and acquisitions, in-licensing and strategic partnerships and the CSO model, which has become our core strength.

We have achieved significant business growth. We recorded revenue of RMB887.4 million, RMB901.8 million and RMB1,680.0 million for the years ended December 31, 2023, 2024 and 2025, respectively.

BASIS OF PREPARATION AND PRESENTATION

The historical financial information has been prepared in accordance with IFRS issued by the International Accounting Standards Board. All IFRSs effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period.

The historical financial information has been prepared under the historical cost convention, except for equity investment at fair value through other comprehensive income, financial assets at fair value through profit or loss, and financial instruments issued to **[REDACTED]** and which have been measured at fair value.

Notwithstanding that our Group recorded net current liabilities and net liabilities of RMB869.1 million and RMB489.9 million, respectively, as of December 31, 2025, the Historical Financial Information has been prepared on a going concern basis. Convertible redeemable preferred shares with an amount of RMB1,245.9 million were recorded in current liabilities as at December 31, 2025, in relation to our Series A Preferred Shares and Series B Preferred Shares issued to certain Pre-**[REDACTED]** Investors. Our Group assesses its liquidity by its ability to generate cash from operating activities. Based on management's working capital forecast, it was expected that the convertible redeemable preferred shares would not be redeemed. Our Preferred Shares, including the Series A Preferred Shares and Series B Preferred Shares underlying the convertible redeemable preferred shares, will convert into ordinary shares at the time of the **[REDACTED]**. Following such conversion, the carrying amount of these preferred shares will be reclassified to share capital/capital reserve, and we will revert to a net assets and net current assets position.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, financial position and results of operations are affected by a number of factors, many of which may not be within our control. We believe the following are key factors that affect our results of operations.

The Growth of China's Pharmaceutical Market and Related Regulations

Our results of operations are impacted by the overall growth of the pharmaceutical market in China, which depends on factors including continued economic growth, increasing per capita disposable income and healthcare expenditures, expanding medical insurance coverage, demographics, market competition, and relevant government policies and regulations. In particular, the adoption and sales volume of our products are affected by their inclusion in the national, provincial or other government-sponsored medical insurance programs in China, which typically significantly increases the demand and potentially sales volume, although products so included are subject to relevant pricing regulation. Overall, we believe the benefits of inclusion significantly outweigh the associated costs during the Track Record Period and will contribute to our business growth in the foreseeable future.

Market Demand for Our Products, Including Our Self-developed Drugs, License-in Drugs and Third-party CSO Drugs

Our results of operations are significantly affected by the market demand for our pharmaceutical products in China, including our acquired products, license-in drugs and third-party drugs that we sell and/or promote under the CSO model. Demand for our pharmaceutical products is in turn affected by a number of factors such as the incidence rates of the various diseases treated by our products, the number of patients suffering from such diseases and being treated, the endorsement and prescription of our products by physicians and the availability of substitute products. As of the Latest Practicable Date, our product portfolio included 27 commercialized drugs and one newly approved drug, comprising five drugs obtained by us as part of the Kyowa Kirin China Acquisition, four drugs licensed-in by us on an exclusive basis in China and 19 third-party CSO drugs. See "— Description of Major Components in Our Results of Operations — Revenue" for a breakdown of our revenue by products during the Track Record Period. For a description of each of our key pharmaceutical products, see "Business — Our Products — Product portfolio and pipeline" and "Business — Third-party CSO Products" of this document. Our ability to maintain or increase the market demand for our products relies on our ability to further penetrate hospital, retail pharmacy and e-commerce channels channels by broadening our distribution network. Additionally, the effectiveness of our marketing, promotion and sales techniques, particularly with respect to new products or new geographic areas as we seek to expand our business, will influence our ability to grow such network and drive demand.

Product Portfolio

Our results of operations and financial performance are affected by the composition and evolution of our product portfolio. As the profit margin of each product varies, the mix of products in our portfolio and their respective sales may materially affect our results of operations and financial performance. We continuously evaluate our product portfolio to allocate our resources towards products with market outlook and profitability. Our ability to develop and commercialize new products and expand our license-in and CSO product offerings, replenish our pipeline with additional product candidates in our core therapeutic areas, acquire new products through strategic acquisitions, and further diversify our portfolio beyond these areas, has had, and will continue to have, a significant impact on our business prospects. Our results of operations will be affected by whether the products we introduce to the market are well received, which may be impacted by the efficacy, quality and price of the products and the purchasing trends of our customers, and our ability to successfully commercialize new products and drive market penetration.

Our Ability to Effectively Control Our Costs and Expenses

Our profitability is affected by our cost structure, which primarily consists of cost of sales, selling and distribution expenses, research and development expenses, and administrative expenses. Our cost of sales as a percentage of revenue was 43.4% , 38.4% and 47.9% in 2023, 2024 and 2025. Within cost of sales, procurement costs relating to the purchase of pharmaceutical products represent the largest component, accounting for 98.5%, 97.5% and 98.8% of total cost of sales in 2023, 2024 and 2025. We closely monitor procurement costs through stringent supplier selection and inventory management, aiming to optimize purchase prices and maintain adequate inventory levels to support sales growth. Fluctuations in procurement costs, including changes in supplier pricing, product mix, and inventory impairment, affect our gross profit and overall financial performance.

Compared to our ability to control our cost of sales, our ability to effectively control our operating expenses has a greater impact on our profitability. Our operating expenses include selling and distribution expenses, research and development expenses, as well as administrative and other operating expenses. Selling and distribution expenses are the largest component of our operating expenses, which accounted for 36.9%, 36.1% and 27.9% of our revenue in 2023, 2024 and 2025, respectively. In the future, we intend to continue to control our selling and distribution expenses and enhance our sales productivity through additional tailored training of sales personnel and more targeted marketing activities.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ESTIMATES AND JUDGMENTS

We prepare our consolidated financial information in accordance with IFRSs, which requires us to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent assets and liabilities. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Because the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. We will continuously assess our assumptions and estimates going forward.

We consider the policies discussed below to be critical to an understanding of our consolidated financial information as their application places significant demands on our management's judgment. For details of our material accounting policies and significant accounting judgments and estimates, see Notes 2.3 and 3 in the Accountants' Report set out in Appendix I to this document.

Material Accounting Policies

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which our Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which our 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts of our Group do not contain significant financing components.

Our Group generates revenue from sale of pharmaceutical products and rendering promotion service. Further details of our Group's revenue recognition policies are as follows:

(a) *Sale of pharmaceutical products.* Revenue from the sale of pharmaceutical products is recognized at the point in time when control of the products is transferred to the customer upon receipt of the goods. Some contracts for the sale of industrial products provide customers with volume rebates, giving rise to variable consideration.

(b) *Rendering of promotion service — at the point in time.* The rendering of promotion service is recognized when our Group satisfies its promise to arrange for the pharmaceutical products to be provided by the supplier to the customer.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by our Group, liabilities assumed by our Group to the former owners of the acquiree and the equity interests issued by our Group in exchange for control of the acquiree. For each business combination, our Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

Our Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When our Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of our Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Our Group performs its annual impairment test of goodwill as of December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of our Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

Our Group measures our investment properties and certain financial instruments at fair value at the end of each of the Track Record Period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by our Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Our Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the historical financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the historical financial information on a recurring basis, our Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Track Record Period.

Critical Estimates and Judgments

Fair values of convertible redeemable preferred shares and convertible loans

The fair values of the convertible redeemable preferred shares and convertible loans measured at fair value through profit or loss are determined using the valuation technique of hybrid approach, combining the discounted cash flow method, the backsolve method and the option-pricing method.

Such valuation is based on key parameters about discount rate, discounts for lack of marketability ("**DLOM**") and volatility, which are subject to uncertainty and might materially differ from the actual results. The fair values of convertible redeemable preferred shares as of December 31, 2023, 2024 and 2025 were RMB643,113,000, RMB696,781,000 and RMB1,245,888,000, respectively. The fair values of the convertible loans as of December 31, 2023, 2024 and 2025 was nil, RMB183,389,000 and nil, respectively. Further details are included in Note 37 to the Accountants' Report in Appendix I to this document.

Provision for expected credit losses on trade and bills receivables

Our Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on our Group's historical observed default rates. Our Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At the end of each of the Track Record Period, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on our Group's trade and bills receivables is disclosed in Note 20 to the Accountants' Report in Appendix I to this document.

Impairment of non-financial assets

Our management assesses at the end of each reporting period whether there is any indication that a non-financial asset may be impaired, and if any such indication exists, estimates the asset's recoverable amount to determine whether it exceeds the carrying amount. While we recorded losses in 2023, such financial performance was primarily attributable to strategic upfront investments in channel construction and market expansion rather than a deterioration in the underlying value of our Group's assets. We recorded losses in 2025, primarily attributable to the impact of a substantial non-cash fair value change in financial instruments issued to investors.

Specifically, with respect to the right-of-use assets, the carrying amount primarily relates to the identified land value arising from the Kyowa Kirin China Acquisition in September 2024, for which our management assessed the recoverable amount by referencing prevailing market prices for comparable land parcels in the surrounding areas to determine the fair value less costs of disposal, which was found to be higher than the carrying amount. With respect to the remaining non-financial assets, which primarily comprise distribution and promotion rights representing contractual arrangements granting our Group exclusive or non-exclusive rights to distribute and/or promote pharmaceutical products owned or licensed by third parties, our management has performed an assessment of the recoverability of such assets. The underlying business operations associated with these distribution and promotion rights have remained profitable throughout the Track Record Period. Accordingly, based on the management's assessment, no impairment indicators were identified, and no impairment provision was required to be recognized in respect of such non-financial assets during the Track Record Period.

Although a net loss was reported after adjusting for non-recurring accounting items, our management determined no impairment indicators existed for non-financial assets in 2025 under IAS 36 Impairment of Assets, considering a positive operating profit from continuing operations.

In 2023, our Group recognized an operating loss, which constitutes a potential impairment indicator. While this loss was primarily attributable to strategic front-loaded investments in channel construction and market promotion, management proactively conducted impairment assessments in accordance with IAS 36, ensuring transparent disclosure of asset recoverability. In compliance with IAS 36, impairment assessments were performed for the relevant non-financial assets as detailed below:

The Group's intangible assets primarily comprise distribution and promotion rights for drug products, assessed as follows:

An impairment test was conducted at the individual Cash-Generating Unit (hereinafter referred to as "**CGU**") level. Specifically, regarding the two distribution and promotion rights — Kapruvia and Ravicti — which generated zero revenue during the period, where our management considered it an impairment indication, the assessments are detailed below.

Each relevant CGU comprises core assets (the distribution and promotion rights) and supportive assets. The supportive assets primarily consist of allocated PPE — such as office equipment and IT infrastructure — and ROU assets representing leased office premises. These supportive assets do not generate independent cash inflows but are integral to the operations of the underlying the business associated with these distribution and promotion rights; therefore, in accordance with IAS 36, they are tested for impairment at the CGU level.

The assessment concluded that the recoverable amount of the CGUs, calculated based on discounted future cash flows, exceeds their carrying amounts. Key assumptions in the valuation model included forecast revenue growth reflecting new product ramp-up, a discount rate of 19%, and a terminal growth rate of 2%.

Given that the business associated with these distribution and promotion rights has been assessed as non-impaired with recoverable amounts exceeding carrying amounts, the associated supportive PPE and ROU assets are also deemed not impaired. Consequently, no separate quantitative impairment testing was performed for these supportive assets; a qualitative assessment consistent with the CGU-level results confirms that their carrying amounts remain fully recoverable.

Our Group's impairment assessment methodology strictly complies with IAS 36. No impairment was recognized for non-financial assets, as the recoverable amounts of all tested CGUs and individual assets were determined to exceed their respective carrying amounts.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our statements of profit and loss for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	887,397	901,838	1,679,980
Cost of sales	(384,824)	(345,851)	(804,467)
Gross profit	502,573	555,987	875,513
Other income and gains	3,800	39,109	80,643
Selling and distribution expenses	(327,619)	(325,899)	(467,891)
Research and development expenses	(19,362)	(11,865)	(5,500)
Administrative expenses	(127,452)	(166,156)	(247,718)
Other expenses	(19,599)	(14,080)	(26,310)
Finance costs	(18,926)	(18,240)	(26,069)
Fair value change in financial instruments issued to investors	(10,274)	(47,398)	(238,244)
(LOSS)/PROFIT BEFORE TAX	(16,859)	11,458	(55,576)
Income tax expense	(141)	(2,885)	(23,457)
(LOSS)/PROFIT FOR THE YEAR	(17,000)	8,573	(79,033)

NON-IFRS MEASURES

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use the following non-IFRS measures as additional financial measures, which is not required by, or presented in accordance with IFRS:

- We define adjusted net (loss)/profit (non-IFRS measure) for the year as the profit/(loss) for the year adjusted by adding back (i) share-based payments, (ii) **[REDACTED]** expense, (iii) fair value change on financial instruments issued to investors, and (iv) effect of preferred share term modifications.

- We define adjusted EBITDA (non-IFRS measure) as EBITDA (which is the profit/(loss) for the year plus income tax expense, depreciation and amortization expenses, and net finance cost for the year) adjusted by adding back (i) share-based payments, (ii) **[REDACTED]** expense, (iii) fair value change on financial instruments issued to investors, and (iv) effect of preferred share term modifications.

We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that such measures provide useful information to **[REDACTED]** and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

The following table reconciles our non-IFRS measures for the year presented to the most directly comparable financial measures calculated and presented under IFRS.

Adjusted net (loss)/profit (non-IFRS measure)

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/profit for the year	(17,000)	8,573	(79,033)
Add/(less):			
Share-based payments[1]	36	—	5,250
[REDACTED] expense[2]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Fair value change on financial instruments issued to investors[3]	10,274	47,398	238,244
Effect of preferred share term modifications[4]	—	—	(69,741)
Adjusted net (loss)/profit (Non-IFRS measure)	**(6,690)**	**55,971**	**112,809**

EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure)

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/profit for the year	(17,000)	8,573	(79,033)
Add/(less):			
Depreciation and Amortization	19,233	35,249	67,365
Net finance cost			
Finance costs	18,926	18,240	26,069
Interest income	(1,138)	(8,211)	(2,426)
Net finance cost	17,788	10,029	23,643
Income tax expense	141	2,885	23,457
EBITDA (non-IFRS measure)	20,162	56,736	35,432
Share-based payments[1]	36	—	5,250
[REDACTED] expense[2]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Fair value change on financial instruments issued to investors[3]	10,274	47,398	238,244
Effect of preferred share term modifications[4]	—	—	(69,741)
Adjusted EBITDA (non-IFRS measure)	30,472	104,134	227,274

Notes:

(1) Share-based payments arise from options granted under the Pre-**[REDACTED]** Share Incentive Plan. This adjustment is made because it is non-cash in nature.

(2) **[REDACTED]** expenses relate to this **[REDACTED]**.

(3) Our financial instruments issued to investors consist of redeemable convertible preferred shares in relation to our Series A Preferred Shares and Series B Preferred Shares issued to certain Pre-**[REDACTED]** investors, the latter comprising new investments from Series B investors and the conversion of convertible loans completed in August 2025. These preferred shares will be reclassified from liabilities to equity as a result of the conversion into ordinary shares upon the **[REDACTED]**. Subsequently, we do not expect to record any further fair value change in financial instruments issued to investors.

(4) In August 2025, we modified the terms of the Series A Preferred Shares to align with those of the Series B Preferred Shares, including adjustments to the annual return rate and other terms. These modifications resulted in a gain recognized in profit or loss.

DESCRIPTION OF MAJOR COMPONENTS IN OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue from (i) sale of pharmaceutical products; and (ii) rendering of promotion service.

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Types of goods or services						
Sales of pharmaceutical products	590,904	66.6	731,898	81.2	1,526,306	90.9
Rendering of promotion service	296,493	33.4	169,940	18.8	153,674	9.1
Total	**887,397**	**100.0**	**901,838**	**100.0**	**1,679,980**	**100.0**

The following table sets forth a breakdown of the revenue by product across different disease areas for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Kidney diseases	209,976	23.7	341,320	37.8	480,931	28.6
Respiratory and infectious diseases	321,009	36.2	183,949	20.4	620,792	37.0
Hematologic diseases	—	—	61,709	6.8	298,432	17.8
Others	356,412	40.1	314,860	35.0	279,825	16.6
Total	**887,397**	**100.0**	**901,838**	**100.0**	**1,679,980**	**100.0**

The following table sets forth a breakdown of our revenue from sales of pharmaceutical products by sales channels for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sales of pharmaceutical products						
Distribution	513,228	86.9	684,600	93.5	1,454,105	95.3
Direct sales	77,676	13.1	47,298	6.5	72,201	4.7
Total	**590,904**	**100.0**	**731,898**	**100.0**	**1,526,306**	**100.0**

During the Track Record Period, we derived substantially all of our revenue from the Chinese mainland.

The following table sets forth a breakdown of our revenue by source of right for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Major drug products						
CSO drugs	660,676	74.4	535,891	59.4	847,581	50.4
Licensed-in drugs	1,547	0.2	10,098	1.1	51,288	3.1
Acquired drugs[1]						
In-house produced drugs	—	—	3,636	0.4	42,021	2.5
Other acquired drugs	—	—	201,224	22.3	661,927	39.4
	—	—	204,860	22.7	703,948	41.9
Subtotal	662,223	74.6	750,849	83.2	1,602,817	95.4
Other drugs	225,174	25.4	150,989	16.8	77,163	4.6
Total	**887,397**	**100.0**	**901,838**	**100.0**	**1,679,980**	**100.0**

(1) During the Track Record Period and currently, we have produced Regpara® in-house and undertaken the repackaging of other acquired drugs.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) procurement costs relating to sales of pharmaceutical products; and (ii) costs relating to rendering of promotion service. The following table sets forth a breakdown of our cost of sales by business line, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sales of pharmaceutical products	378,866	98.5	337,314	97.5	795,172	98.8
Rendering of promotion service	5,958	1.5	8,537	2.5	9,295	1.2
Total	**384,824**	**100.0**	**345,851**	**100.0**	**804,467**	**100.0**

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Procurement costs						
Finished products	315,183	81.9	256,067	74.0	592,909	73.7
Raw materials and semi-finished products	11,356	3.0	57,862	16.8	143,408	17.8
Subtotal	326,539	84.9	313,929	90.8	736,317	91.5
Direct labor	—	—	3,226	0.9	14,253	1.8
Manufacturing overhead	—	—	5,423	1.6	24,064	3.0
Other costs[1]	58,285	15.1	23,273	6.7	29,833	3.7
Total	**384,824**	**100.0**	**345,851**	**100.0**	**804,467**	**100.0**

Note:

(1) Other costs primarily comprise amortization of royalties, transportation expenses, inventory impairment losses.

The following table sets forth a breakdown of our cost of sales by geographical location of supply source for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
PRC	205,360	53.4	164,494	47.6	515,974	64.3
Germany	57,941	15.1	54,949	15.9	82,350	10.2
Hong Kong	27,530	7.2	29,947	8.6	—	—
Singapore	15,598	4.0	3,817	1.1	361	—
Japan	8,582	2.2	40,617	11.7	147,231	18.3
Switzerland	5,292	1.4	14,423	4.2	11,424	1.4
Other products	3,820	1.0	7,458	2.2	5,022	0.6
Other countries(1)	2,416	0.6	6,873	2.0	12,272	1.5
Other costs(2)	58,285	15.1	23,273	6.7	29,833	3.7
Total	**384,824**	**100.0**	**345,851**	**100.0**	**804,467**	**100.0**

Note:

(1) Other countries primarily comprise France, Sweden, and Italy.

(2) Other costs primarily comprise amortization of royalties, transportation expenses, inventory impairment losses.

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 our gross profit and gross profit margin by business line, for the periods indicated:

	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*	*%*
Sales of pharmaceutical products	212,038	35.9	394,584	53.9	731,134	47.9
Rendering of promotion service	290,535	98.0	161,403	95.0	144,379	94.0
Total	**502,573**	**56.6**	**555,987**	**61.7**	**875,513**	**52.1**

Our overall gross profit margin decreased from 61.7% for the year ended December 31, 2024 to 52.1% for the year ended December 31, 2025, primarily due to changes in product and revenue mix following the Kyowa Kirin China Acquisition. Specifically: (i) Tamiflu®, a mature product with a relatively lower gross profit margin compared to our other products, experienced significantly increased sales driven by rather severe influenza outbreaks in the spring and winter of 2025, with its revenue increasing from RMB103.7 million for the year ended December 31, 2024 by 363.8% to RMB481.0 million for the year ended December 31, 2025, and its revenue contribution rising from approximately 11.5% to approximately 28.6%, which diluted our gross profit margin for sales of pharmaceutical products from 53.9% to 47.9%; and (ii) the revenue contribution of sales of pharmaceutical products continued to increase from 81.2% to 90.9%, reflecting our ongoing transition from a promotion service-fee model to a buy-sell model post-acquisition, which, given the lower gross profit margin of product sales relative to promotion service of approximately 94% to 95%, further weighed on the overall gross profit margin.

The following table sets forth a breakdown of our gross profit and gross profit margin from the sales of pharmaceutical products by sales channels for the periods indicated:

	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	%
Sales of pharmaceutical products						
Distribution	206,084	40.2	388,922	56.8	724,997	49.9
Direct sales	5,954	7.7	5,662	12.0	6,137	8.5
Total	**212,038**	**35.9**	**394,584**	**53.9**	**731,134**	**47.9**

Our direct sales generally generate a relatively lower gross margin, as they involve the direct sales of certain domestically manufactured drug products, which are not our core products, to hospitals in designated provinces and regions. The purchasers under the direct sales model are primarily hospital distribution service providers that perform channel management functions only, including warehousing, logistics and payment collection, without undertaking terminal academic promotion activities. As a result, the pricing under such arrangements reflects the limited scope of services provided and the nature of the products involved. Our gross profit margins are consistent with industry norms for such distribution arrangements.

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical location of customers for the periods indicated:

	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	%
Chinese mainland	499,026	56.8	533,260	63.4	848,737	52.1
Others	3,547	38.0	22,727	37.7	26,776	52.6
Total	**502,573**	**56.6**	**555,987**	**61.7**	**875,513**	**52.1**

The following table sets forth a breakdown of our gross profit and gross profit margin by source of right for the periods indicated:

	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	%
Major drug products						
CSO drugs	464,527	70.3	357,760	66.8	306,605	36.2
Licensed-in drugs	1,171	75.7	8,185	81.1	41,920	81.7
Acquired drugs	—	—	164,286	80.2	537,689	76.4
Subtotal	465,698	70.3	530,231	70.6	886,214	55.3
Other drugs	95,160	42.3	49,029	32.5	19,132	24.8
Other costs	(58,285)		(23,273)		(29,833)	
Total	**502,573**	**56.6**	**555,987**	**61.7**	**875,513**	**52.1**

Other Income and Gains

Our other income primarily consisted of (i) interest income; and (ii) government grants and subsidies related to income; and (iii) net impairment reversal of trade and bills receivables. Our other gains primarily consisted of (i) gain on disposal of the distribution and promotion rights, representing the gain arising from the transfer of the product right of certain drug products to third parties; (ii) net foreign exchange differences; and (iii) effect of preferred share term modifications. The following table sets forth a breakdown of our other income and gains by nature for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Interest income	1,138	8,211	2,426
Government grants and subsidies related to income	1,435	1,714	6,051
Reversal of impairment of trade receivables	719	370	620
Others	508	354	97
Total other income	3,800	10,649	9,194
Gains			
Gain on disposal of the distribution and promotion rights	—	27,481	—
Foreign exchange differences, net	—	979	1,708
Effect of preferred share term modifications	—	—	69,741
	—	28,460	71,449
Total	**3,800**	**39,109**	**80,643**

We recognized gains on the disposal of distribution and promotion rights of RMB27.5 million in 2024. No gains on the disposal of distribution and promotion rights were recognized in 2023 or 2025.

In February 2024, we completed the disposal of our distribution rights in respect of a kidney disease drug product to a third party. We had obtained the exclusive distribution rights for the product in Chinese mainland from the manufacturer pursuant to a distribution agreement entered into in 2023. As a condition of the transfer, the third party committed to binding annual minimum purchase volumes to the manufacturer. This transaction resulted in a one-off gain on disposal of RMB27.5 million, representing the difference between the consideration received and the carrying amount of the relevant intangible asset at the date of disposal. The disposal of the distribution rights was a strategic decision to optimize our product portfolio and reallocate capital resources towards therapeutic areas that are more closely aligned with our long-term development strategy. As a condition of the transfer, the third party committed to binding annual minimum purchase volumes to the manufacturer, thereby providing the manufacturer with greater certainty of demand.

In August 2025, we modified the terms of the Series A Preferred Shares to align with those of the Series B Preferred Shares, including adjustments to the annual return rate and other terms. These modifications resulted in a gain recognized in profit or loss.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consisted of (i) staff costs, (ii) promotion service expenses, (iii) maintenance and general expenses, including business hospitality expenses, travel expenses, and depreciation and amortization expenses. The following table sets forth a breakdown of our selling and distribution expenses by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	145,722	44.5	151,509	46.4	241,596	51.6
Promotion service expenses	143,600	43.8	139,010	42.7	176,855	37.8
Maintenance and general expenses	38,297	11.7	35,380	10.9	49,440	10.6
Total	**327,619**	**100.0**	**325,899**	**100.0**	**467,891**	**100.0**

Research and Development Expenses

Our research and development expenses consisted of (i) staff costs, consisting of salaries, social insurance and other benefits for our R&D staff; (ii) professional service fees, primarily including technical, consulting and translation services fees related to our R&D activities; (iii) registration fees; (iv) clinical trial fees, representing expenses incurred in connection with our clinical trials; and (v) others, which primarily include travel expenses of employees. The following table sets forth a breakdown of our research and development expenses by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff Costs	10,795	55.7	9,814	82.7	2,781	50.6
Professional Service Fees	1,250	6.5	853	7.2	1,125	20.5
Registration Fees	738	3.8	520	4.4	735	13.4
Clinical Trial Fees	4,612	23.8	—	—	723	13.2
Others	1,967	10.2	678	5.7	136	2.3
Total	**19,362**	**100.0**	**11,865**	**100.0**	**5,500**	**100.0**

Staff costs represent the largest component of research and development expenses. We recorded staff costs of RMB10.8 million, RMB9.8 million and RMB2.8 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for 55.7%, 82.7% and 50.6% of total research and development expenses during the respective periods.

During the Track Record Period, 37.4%, 45.9% and 64.7% of our research and development expenses were attributable to the development of our pipeline products, respectively.

The decrease in research and development expenses during the Track Record Period was primarily due to the milestone completion of the development projects for Ravicti® and Kapruvia®:

- For Ravicti®, we initiated research and development work in December 2021, submitted a clinical-exemption NDA in August 2022, and obtained approval in June 2023. Accordingly, only limited research and development expenses have been incurred since then, save for postmarketing commitment studies.
- For Kapruvia®, we initiated research and development work in May 2023 and substantially completed the clinical trial in late 2024. As a result, only limited expenses incurred in 2025.

We believe that the decrease in research and development expenses does not have any negative impact on our product pipeline or future development plans, for the following reasons: (i) our research and development resources are typically focused on select in-licensed products that require us to assist with local clinical bridging and MAH registration in Chinese Mainland, representing only a limited portion of our portfolio products. (ii) Since the beginning of the Track Record Period and up to the date of the document, we have added over 10 new products to our portfolio through multi-pronged business development model and established partnerships with more than five global partners, demonstrating our ability to expand the portfolio notwithstanding decreased research and development expenses.

Administrative Expenses

Our administrative expenses consisted of (i) staff costs, consisting of salaries, and other benefits for our managerial and administrative staff; (ii) consulting fees; (iii) operation expenses, which primarily include travel expenses, hospitality expenses and office property management fees; (iv) depreciation and amortization expenses; and (v) others. The following table sets forth a breakdown of our administrative expenses by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Staff costs	70,197	55.1	82,647	49.7	131,220	53.0
Consulting fees	27,708	21.7	42,204	25.4	60,115	24.3
Operation expenses	18,197	14.3	20,624	12.4	27,683	11.2
Depreciation and amortization expenses	10,505	8.2	16,429	9.9	7,974	3.1
Others	845	0.7	4,252	2.6	20,726	8.4
Total	**127,452**	**100.0**	**166,156**	**100.0**	**247,718**	**100.0**

We recognized consulting fees during the Track Record Period, primarily comprising professional service fees paid to external legal advisors, financial consultants and other professional service providers engaged by us. These fees were incurred in connection with (i) mergers and acquisitions activities; (ii) investment transactions; (iii) business development initiatives; and (iv) routine professional consultations in respect of legal affairs, market research, regulatory compliance and intellectual property matters. Such expenditures are consistent with our ongoing business operations and strategic development activities.

Other Expenses

Our other expenses consisted of (i) donations to charitable foundations; (ii) uncollectible deposits and advances; and (iii) others.

In 2023, we recorded a RMB15.7 million write-off of uncollectible deposits and advances relating to a supplier guarantee deposit that became non-recoverable after we strategically discontinued a product in 2024 in light of reduced market demand. We recorded other expenses of RMB14.1 million in 2024 and RMB26.3 million in 2025, primarily comprising donations to charitable foundations for pharmaceutical public welfare programs.

Finance Costs

Our finance costs consisted of (i) interest on bank loans; and (ii) interest on lease liabilities. The following table sets forth a breakdown of our finance costs by nature for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank loans	18,509	17,761	25,407
Interest on lease liabilities	417	479	662
Total	18,926	18,240	26,069

Fair Value Change in Financial Instruments Issued to Investors

Our financial instruments issued to investors consist of (i) convertible redeemable preferred shares; and (ii) convertible loans. See "— Description of Major Line Items in Our Consolidated Statements of Financial Position — Financial instruments issued to investors" for more details. Our fair value change in financial instruments issued to investors were RMB10.3 million, RMB47.4 million and RMB238.2 million, respectively, for the years ended December 31, 2023, 2024 and 2025.

Income Tax Expenses

We had income tax expenses of RMB0.1 million, RMB2.9 million and RMB23.5 million, respectively, for the years ended December 31, 2023, 2024 and 2025. During the Track Record Period and up to the Latest Practicable Date, we did not have any dispute or unresolved issues with the relevant tax authorities. We are subject to various rates of income tax under different jurisdictions. The following summarizes the major factors affecting our applicable tax in Chinese mainland, Hong Kong, and the British Virgin Islands.

British Virgin Islands

Under the current laws of the British Virgin Islands, our Company is not subject to tax on income or capital gains. Additionally, the BVI does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Our subsidiaries incorporated in Hong Kong are subject to income tax at a rate of 16.5% on estimated assessable profits arising in Hong Kong during the year, except for one Hong Kong subsidiary that qualifies under the two-tiered profits tax rate regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and any remaining assessable profits are taxed at 16.5%.

Chinese mainland

The provision for PRC corporate income tax is based on the statutory EIT rate of 25% of the assessable profits of our PRC subsidiaries as determined in accordance with the PRC EIT Law, except for one of our PRC subsidiaries, Hangzhou Hainuo Network Technology Co., Ltd., which was qualified as "high and new technology enterprises" by the local government authorities and thus were entitled to a preferential EIT rate of 15% from 2024 to 2027.

Our effective tax rate was negative 0.8% in 2023, 25.2% in 2024, and negative 42.2% in 2025. The variation in our effective tax rate across these periods was primarily attributable to the following factors: non-deductible expenses, changes in unrecognized tax losses and utilization of prior period losses, and fair value losses on preferred shares held by WinHealth International Holding Group Company Limited, our BVI parent company.

The rate change from a negative 0.8% in 2023 to 25.2% in 2024 was primarily driven by certain subsidiaries achieving profitability and incurring current income tax expenses, while the impact of fair value losses on preferred shares began to emerge. The rate changed to a negative 42.2% in 2025, mainly due to our BVI parent company, which is domiciled in a jurisdiction where no corporate income tax is levied, incurring a substantial fair value loss on preferred shares. This loss reduced our total pre-tax income but generated no corresponding tax benefit. For the year ended December 31, 2025, the accumulated fair value losses pushed the pre-tax income into a loss position, resulting in a negative effective tax rate of 42.2%.

RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 86.3% from RMB901.8 million for the year ended December 31, 2024 to RMB1,680.0 million for the year ended December 31, 2025, primarily due to the growth in our sales of pharmaceutical products, partially offset by a decrease in revenue from promotion service.

Revenue from sales of pharmaceutical products increased by 108.5% from RMB731.9 million for the year ended December 31, 2024 to RMB1,526.3 million for the year ended December 31, 2025, primarily due to (i) the full-year consolidation of the product portfolio of WinHealth China following the Kyowa Kirin China Acquisition. Through subsequent resource integration and business synergy, we optimized our product structure and distribution network, which expanded the scale of our pharmaceutical sales revenue. Revenue from these products was recognized for the full year for 2025, as compared to approximately four months in 2024 following the completion of the acquisition in September 2024. (ii) The influenza outbreaks in the spring and winter of 2025 were more severe compared to 2024, which significantly drove market demand for the related therapeutic drug, Tamiflu®.

Revenue from promotion service decreased by 9.6% from RMB169.9 million for the year ended December 31, 2024 to RMB153.7 million for the year ended December 31, 2025, primarily due to a change in revenue recognition associated with certain drug products of WinHealth China. Prior to the Kyowa Kirin China Acquisition in September 2024, revenue from these sales was recorded under the business line of rendering of promotion service. Following the acquisition, such transactions are classified as intra-group and eliminated from consolidated revenue in accordance with applicable accounting standards.

Cost of sales

Our cost of sales increased by 132.6% from RMB345.9 million for the year ended December 31, 2024 to RMB804.5 million for the year ended December 31, 2025, primarily due to increased procurement costs associated with the growth in our sales of pharmaceutical products. The increase was driven by (i) the full-year consolidation of WinHealth China, with such costs recognized for a full year for 2025, as compared to approximately four months in 2024; and (ii) the impact of higher-volume, lower-margin products, in particular Tamiflu®, the sales of which accounted for a significantly higher proportion of our sales revenue in 2025 amid stronger influenza-related demand, resulting in cost of sales growing faster than revenue.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 57.5% from RMB556.0 million for the year ended December 31, 2024 to RMB875.5 million for the year ended December 31, 2025, primarily due to an increase in gross profit from sales of pharmaceutical products, mainly attributable to (i) the upgrade in product and revenue mix following the Kyowa Kirin China Acquisition, which added higher-margin pharmaceutical products such as Coniel® and Romiplate® to our portfolio; and (ii) significantly higher sales volume of Tamiflu® driven by more severe influenza outbreaks in the spring and winter of 2025 compared to 2024, which contributed to a substantial increase in gross profit.

The increase was partially offset by a modest decrease in gross profit from our promotion service, primarily due to the reclassification of revenue from certain drug products of WinHealth China from promotion service to sales of pharmaceutical products following the Kyowa Kirin China Acquisition, partially offset by an increase in Tamiflu® promotion revenue amid the stronger influenza season.

Our gross profit margin decreased from 61.7% for the year ended December 31, 2024 to 52.1% for the year ended December 31, 2025, primarily driven by the gross profit margin of the sales of pharmaceutical products, which carries a lower gross profit margin as compared to promotion service, due to its revenue contribution. Gross profit margin for sales of pharmaceutical products decreased from 53.9% in 2024 to 47.9% in 2025, primarily due to the impact of higher-volume, lower-margin products, in particular Tamiflu®, as described above. The revenue contribution of sales of pharmaceutical products increased from 81.2% in 2024 to 90.9% in 2025, further contributing to the decline in overall gross profit margin.

Other income and gains

Our other income and gains increased by 106.1% from RMB39.1 million for the year ended December 31, 2024 to RMB80.6 million for the year ended December 31, 2025, primarily due to a higher base in 2024, attributable to (i) a one-off gain of RMB27.5 million recognized in 2024 from the disposal of exclusive distribution rights in respect of a kidney disease drug product to a third party, which was a strategic decision to optimize our product portfolio and reallocate capital resources towards therapeutic areas more closely aligned with our long-term development strategy. As a condition of the transfer, the third party committed to binding annual minimum purchase volumes to the manufacturer, thereby providing the manufacturer with greater certainty of demand; and (ii) a decrease in interest income of RMB5.8 million, primarily because we had placed the funds for the Kyowa Kirin China Acquisition in time deposits during 2024 prior to the payment of the acquisition consideration, generating higher interest income in that year; and (iii) effect of preferred share term modifications gain of RMB69.7 million. In August 2025, our Company modified the terms of the Series A Preferred Shares to align with those of the Series B Preferred Shares, including adjustments to the annual return rate and other terms. These modifications resulted in a gain recognized in profit or loss.

Selling and distribution expenses

Our selling and distribution expenses increased by 43.6% from RMB325.9 million for the year ended December 31, 2024 to RMB467.9 million for the year ended December 31, 2025, primarily due to increases in (i) staff costs from RMB151.5 million to RMB241.6 million, mainly attributable to the full-year consolidation of WinHealth China and higher employee compensation; and (ii) promotion service expenses from RMB139.0 million to RMB176.9 million, in line with the growth of our business.

Research and development expenses

Our research and development expenses decreased by 53.6% from RMB11.9 million for the year ended December 31, 2024 to RMB5.5 million for the year ended December 31, 2025, primarily due to the decrease in staff costs RMB9.8 million to RMB2.8 million.

Administrative expenses

Our administrative expenses increased by 49.1% from RMB166.2 million for the year ended December 31, 2024 to RMB247.7 million for the year ended December 31, 2025, primarily due to increases in (i) staff costs from RMB82.6 million to RMB131.2 million, mainly attributable to the full-year consolidation of WinHealth China, higher employee compensation, and as well as the recognition of share-based payment expenses in connection with the Pre-**[REDACTED]** Share Incentive Plan in 2025; and (ii) consulting fees from RMB42.2 million to RMB60.1 million, primarily attributable to professional service fees incurred in 2025 in connection with the **[REDACTED]**.

Other expenses

Our other expenses increased by 86.9% from RMB14.1 million for the year ended December 31, 2024 to RMB26.3 million for the year ended December 31, 2025, primarily due to an increase in donations to charitable foundations, mainly attributable to WinHealth China's donations for pharmaceutical public welfare programs.

Finance costs

Our finance costs increased by 42.9% from RMB18.2 million for the year ended December 31, 2024 to RMB26.1 million for the year ended December 31, 2025, primarily due to the increase in interest on bank loans from RMB17.8 million to RMB25.4 million, mainly attributable to the full-year interest expense on a long-term bank loan obtained from a Chinese bank in August 2024.

Fair value change in financial instruments issued to investors

Our fair value change in financial instruments issued to investors increased by 402.6% from RMB47.4 million for the year ended December 31, 2024 to RMB238.2 million for the year ended December 31, 2025. The increase was primarily attributable to the increase in the fair value of our preferred shares in line with the increase of our valuation, as well as the fair value change on convertible loans prior to their full conversion into our Series B Preferred Shares in August 2025. These preferred shares will be reclassified from liabilities to equity as a result of the conversion into ordinary shares upon the **[REDACTED]**. Subsequently, we do not expect to record any further fair value change in financial instruments issued to investors.

Income tax expenses

We recorded income tax expenses of RMB2.9 million for the year ended December 31, 2024 and income tax expenses of RMB23.5 million for the year ended December 31, 2025, primarily due to higher current income tax in line with our business growth, mainly attributable to (i) the full-year profit contribution from WinHealth China, resulting in current income tax of RMB20.2 million, and (ii) the strong performance of the promotion services led by a subsidiary, which accordingly resulted in a current tax expense of RMB7.0 million. The increase in current income tax was partially offset by a net deferred tax benefit, primarily arising from the reversal of deferred tax liabilities of RMB6.8 million in connection with the amortization of the acquisition premium recognized upon the Kyowa Kirin China Acquisition.

Loss for the year

As a result of the foregoing, we recorded a loss of RMB79.0 million for the year ended December 31, 2025 compared to a profit of RMB8.6 million for the year ended December 31, 2024. For a detailed discussion of our adjusted net losses (non-IFRS measure), see "Summary — Non-IFRS Measures" in this document.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 1.6% from RMB887.4 million for the year ended December 31, 2023 to RMB901.8 million for the year ended December 31, 2024, driven by the growth in our sales of pharmaceutical products, partially offset by a decline in our promotion service.

Revenue from sales of pharmaceutical products increased by 23.9% from RMB590.9 million for the year ended December 31, 2023 to RMB731.9 million for the year ended December 31, 2024, primarily due to the expansion of our product portfolio and increased sales volume, leveraging scale and the synergy effects following the Kyowa Kirin China Acquisition in September 2024.

Revenue generated from promotion service decreased by 42.7% from RMB296.5 million for the year ended December 31, 2023 to RMB169.9 million for the year ended December 31, 2024, primarily due to a change in revenue recognition associated with certain drug products of WinHealth China. Prior to the Kyowa Kirin China Acquisition in September 2024, revenue from these sales was recorded under the business line of rendering of promotion service. Following the acquisition, such transactions are classified as intra-group and eliminated from consolidated revenue in accordance with applicable accounting standards.

Cost of sales

Our cost of sales decreased by 10.1% from RMB384.8 million for the year ended December 31, 2023 to RMB345.9 million for the year ended December 31, 2024, primarily due to reflecting both favorable product mix and an improved cost structure in this business line.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 10.6% from RMB502.6 million for the year ended December 31, 2023 to RMB556.0 million for the year ended December 31, 2024, primarily driven by an increase in gross profit from sales of pharmaceutical products, mainly attributable to an increased sales volume and an improved cost structure in this business line, following the Kyowa Kirin China Acquisition in September 2024. The increase was partially offset by a decrease in gross profit from our promotion service, primarily due to the change in revenue recognition associated with certain drug products of WinHealth China as explained above.

Our gross profit margin increased from 56.6% for the year ended December 31, 2023 to 61.7% for the year ended December 31, 2024, primarily due to a higher gross profit margin in sales of pharmaceutical products, reflecting both favorable product mix and an improved cost structure in this business line, partially offset by a lower gross profit margin in promotion service, attributable to a shift in revenue mix toward lower-margin CSO products.

Other income and gains

Our other income and gains significantly increased from RMB3.8 million for the year ended December 31, 2023 to RMB39.1 million for the year ended December 31, 2024, primarily due to (i) a one-off gain of RMB27.5 million from the transfer of product right of a drug product to a third party in 2024 and (ii) an increase in interest income of RMB7.1 million resulting from interest accrued on our time deposit during 2024.

Selling and distribution expenses

Our selling and distribution expenses remained relatively stable at RMB327.6 million and RMB325.9 million for the year ended December 31, 2023 and 2024.

Research and development expenses

Our research and development expenses decreased by 38.7% from RMB19.4 million for the year ended December 31, 2023 to RMB11.9 million for the year ended December 31, 2024, primarily because we recorded RMB4.6 million of clinical trial expenses for Kapruvia® in 2023.

Administrative expenses

Our administrative expenses increased by 30.4% from RMB127.5 million for the year ended December 31, 2023 to RMB166.2 million for the year ended December 31, 2024, primarily due to higher consulting fees paid to professional parties in relation to our equity financing and acquisition, staff costs, and operation expenses, which were in line with the growth of our business.

Other expenses

Our other expenses decreased by 28.2% from RMB19.6 million for the year ended December 31, 2023 to RMB14.1 million for the year ended December 31, 2024, primarily because we recorded a RMB15.7 million write-off of uncollectible deposits and advances in 2023 relating to a supplier guarantee deposit that became non-recoverable after we strategically discontinued a product in 2024 in light of reduced market demand.

Finance costs

Our finance costs remained relatively stable at RMB18.9 million and RMB18.2 million for the year ended December 31, 2023 and 2024.

Fair value change in financial instruments issued to investors

Our fair value change in financial instruments issued to investors significantly increased by 361.3% from RMB10.3 million for the year ended December 31, 2023 to RMB47.4 million for the year ended December 31, 2024. The increase was primarily attributable to the increase in the fair value of our preferred shares in line with the increase of our valuation following the Kyowa Kirin China Acquisition in September 2024.

Income tax expenses

Our income tax expenses increased from RMB0.1 million for the year ended December 31, 2023 to RMB2.9 million for the year ended December 31, 2024, primarily due to an increase in current income tax in line with our business growth.

(Loss)/Profit for the year

As a result of the foregoing, we recorded a profit of RMB8.6 million for the year ended December 31, 2024 compared to a loss of RMB17.0 million for the year ended December 31, 2023.

DESCRIPTION OF MAJOR LINE ITEMS IN OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	265,468	662,500	650,397
Total current assets	472,670	726,642	1,188,500
Total assets	738,138	1,389,142	1,838,897
Total current liabilities	1,266,531	1,581,147	2,057,597
Total non-current liabilities	2,402	340,094	271,196
Total liabilities	1,268,933	1,921,241	2,328,793
Net current liabilities	(793,861)	(854,505)	(869,097)
Net liabilities	(530,795)	(532,099)	(489,896)
Share capital	—	—	—
Reserves	(530,795)	(532,099)	(489,896)
Net liabilities	(530,795)	(532,099)	(489,896)

Current Assets and Current Liabilities

The following table sets forth our current assets, current liabilities, and net 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* (Unaudited)
Current assets				
Inventories	146,564	180,680	302,027	246,886
Trade and bills receivables	136,920	190,317	231,386	105,573
Prepayments, other receivables and other assets	13,941	57,326	47,040	64,727
Financial assets at fair value through profit or loss	—	10,000	—	—
Cash and cash equivalents	175,245	288,319	608,047	413,900
Total current assets	**472,670**	**726,642**	**1,188,500**	**831,086**

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)
Current liabilities:				
Financial instruments issued to investors	643,113	880,170	1,245,888	1,329,041
Trade payables	36,738	67,049	135,202	40,559
Other payables and accruals	305,201	322,915	251,211	201,157
Interest-bearing bank loans	277,053	296,311	404,815	160,343
Lease liabilities	4,426	5,041	8,303	3,455
Income tax payable	—	9,661	12,178	—
Total current liabilities	**1,266,531**	**1,581,147**	**2,057,597**	**1,734,555**
Net current liabilities	**(793,861)**	**(854,505)**	**(869,097)**	**(903,469)**

We recorded net current liabilities as of each reporting date, primarily due to the impact of financial instruments issued to investors, the carrying amount of which is measured at fair value through profit or loss. This item increased from RMB643.1 million as of December 31, 2023, to RMB880.2 million as of December 31, 2024, and further to RMB1,245.9 million as of December 31, 2025, reflecting increases in the fair value of our Preferred Shares consistent with the growth in our Company's valuation, the addition of the convertible loan in 2024 classified within the same line item, and their conversion into Preferred Shares in 2025. For a detailed discussion of our financial instruments issued to investors, see "— Description of Major Line Items in Our Consolidated Statements of Financial Position — Financial instruments issued to investors."

As of December 31, 2023, we recorded net current liabilities of RMB793.9 million, primarily due to an increase in the carrying amount of financial instruments issued to investors to RMB643.1 million, higher current interest-bearing bank loans of RMB277.1 million and other payables and accruals of RMB305.2 million, partially offset by higher cash and cash equivalents of RMB175.2 million.

As of December 31, 2024, we recorded net current liabilities of RMB854.5 million, primarily due to an increase in financial instruments issued to investors to RMB880.2 million (reflecting a higher fair value of Preferred Shares and the addition of convertible loans), higher current interest-bearing bank loans of RMB296.3 million and other payables and accruals of RMB322.9 million, partially offset by an increase in current assets including cash and cash equivalents of RMB288.3 million, trade and bills receivables of RMB190.3 million, and inventories of RMB180.7 million.

As of December 31, 2025, we recorded net current liabilities of RMB869.1 million, primarily due to an increase in the carrying amount of financial instruments issued to investors to RMB1,245.9 million (reflecting a higher fair value of our Preferred Shares driven by the growth in the valuation, the issuance of Series B Preferred Shares, and the conversion of convertible loans into our Series B Preferred Shares in August 2025), higher current interest-bearing bank loans of RMB404.8 million and trade payables of RMB135.2 million, partially offset by an increase in current assets including cash and cash equivalents of RMB608.0 million, inventories of RMB302.0 million, and trade and bills receivables of RMB231.4 million.

As of April 30, 2026, we recorded net current liabilities of RMB903.5 million, primarily due to the carrying amount of financial instruments issued to investors of RMB1,329.0 million, current interest-bearing bank loans of RMB160.3 million and lease liabilities of RMB3.5 million, partially offset by current assets including cash and cash equivalents of RMB413.9 million, inventories of RMB246.9 million, and trade and bills receivables of RMB105.6 million.

Our net current liabilities position improved by RMB34.4 million compared to December 31, 2025, primarily driven by a significant decrease in current interest-bearing bank loans of RMB244.5 million, a decrease in trade payables of RMB94.6 million, and a decrease in other payables and accruals of RMB50.1 million, partially offset by a decrease in cash and cash equivalents of RMB194.1 million and a decrease in inventories of RMB55.1 million.

Our Preferred Shares, including the Series A Preferred Shares and Series B Preferred Shares underlying the convertible redeemable preferred shares, will convert into ordinary shares at the time of the **[REDACTED]**. Following such conversion, the carrying amount of these preferred shares will be reclassified to share capital/capital reserve, and we will revert to a net assets and net current assets position.

The following table sets forth the breakdown of our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	3,602	110,563	90,461
Right-of-use assets	6,717	175,085	169,298
Goodwill	8,907	8,907	8,907
Other intangible assets	208,317	354,780	359,630
Equity investment designated at fair value through other comprehensive income	3,606	5,293	7,315
Deferred tax assets	—	—	—
Other non-current assets	34,319	7,872	14,786
Total non-current assets	265,468	662,500	650,397
Non-current liabilities			
Interest-bearing bank loans	—	272,702	210,771
Lease liabilities	2,246	7,768	4,580
Deferred tax liabilities	156	59,624	55,845
Total non-current liabilities	2,402	340,094	271,196
Net non-current assets	263,066	322,406	379,201

Inventories

Our inventories primarily consisted of finished goods. The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	146,564	138,840	237,566
Over one year	—	41,840	64,461
	146,564	180,680	302,027

Our inventories increased by 23.3% to RMB180.7 million as of December 31, 2024, primarily due to the growth of our business and the Kyowa Kirin China Acquisition in September 2024, and further increased by 67.2% to RMB302.0 million as of December 31, 2025, primarily reflecting the growth and expansion of our business.

Our inventory turnover days (calculated as the average balance of the opening and closing book value of inventories in a period divided by cost of sales for the sales of pharmaceutical products for the same period multiplied by 360 days for the years ended December 31, 2023 and 2025) were 228 days and 137 days, respectively, for the years ended December 31, 2023 and 2025.

For comparative purposes, we have estimated inventory turnover days for the year ended December 31, 2024 as if Kyowa Kirin China, which we acquired in September 2024, had been part of our operations since January 1, 2024. This calculation includes the opening net realizable value of inventories of Kyowa Kirin China in the numerator and its cost of sales for the nine months ended September 30, 2024 in the denominator, resulting in 239 days.

Inventory turnover days decreased from 228 days in 2023 and 239 days in 2024 to 137 days. The significant decreasing trend in inventory turnover days was primarily attributable to enhanced overall inventory management, coupled with strong seasonal sales of high-turnover products like Tamiflu® during the flu season.

As of April 30, 2026, approximately RMB122.4 million or 40.5% of the outstanding inventories had been subsequently sold. We have made adequate provision for inventory write-downs in accordance with its impairment policy. Our Directors are of the view that there is no impairment issue for inventories.

We maintain prudent inventory impairment policies, under which recoverability is assessed at each reporting date based on sales forecasts, to ensure carrying values do not exceed net realizable value. As of December 31, 2025, our management completed such assessments and adjusted the carrying amount based on projected sales performance. Sales data up to April 30, 2026, wherein approximately 40.5% of the December 31, 2025 inventory balance was sold, favorably aligns with these forecasts and supports the accuracy of the net carrying value as of year-end. Additionally, the remaining inventory balance is consistent with the forecast assumptions, which incorporate the extended shelf life typical of pharmaceutical products (three to five years), thereby supporting a longer sales cycle.

Trade and Bills Receivables

Our trade and bills receivables consisted of (i) trade receivables, representing the balances due from our customers; (ii) bills receivables, representing bank acceptance notes issued by reputable banks in Chinese mainland, which we received from our customers in lieu of cash payments; and (iii) impairment allowance, representing provisions made for expected credit losses on trade and bills receivables, based on assessments of customer creditworthiness, historical default rates, and other relevant factors. The following table sets forth a breakdown of our trade and bills receivables by nature as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	131,775	181,192	231,620
Bills receivables	6,643	11,210	1,231
Impairment allowance	(1,498)	(2,085)	(1,465)
Net carrying amount	136,920	190,317	231,386

Our trade and bills receivables increased by 39.0% from RMB136.9 million as of December 31, 2023 to RMB190.3 million as of December 31, 2024, primarily driven by an increase in our trade receivables by 37.5% from RMB131.8 million as of December 31, 2023 to RMB181.2 million as of December 31, 2024, in line with our sales growth following the Kyowa Kirin China Acquisition in September 2024.

Our trade and bills receivables increased by 21.6% from RMB190.3 million as of December 31, 2024 to RMB231.4 million as of December 31, 2025, primarily driven by an increase in our trade receivables by 27.8% from RMB181.2 million as of December 31, 2024 to RMB231.6 million as of December 31, 2025, in line with the growth of our business.

The following table sets forth the aging analysis of our trade and bills receivables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	136,618	191,934	232,342
One to two years	1,800	468	411
Two to three years	—	—	98
Total	138,418	192,402	232,851

Our trade receivables are typically due 0 to 180 days from the invoice date. We seek to maintain strict credit control over our outstanding receivables, and we have a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. During the Track Record Period, we recognized impairment losses in accordance with the IFRS 9. However, no actual write-offs of trade receivables occurred.

Our trade receivables turnover days (calculated as the average balance of the opening and closing net value of trade and bills receivables in a period divided by revenue for the same period multiplied by 360 days for the years ended December 31, 2023 and 2025) were 87 and 45 days, respectively, for the years ended December 31, 2023 and 2025.

For comparative purposes, we have estimated trade receivables turnover days for the year ended December 31, 2024 as if Kyowa Kirin China, which we acquired in September 2024, had been part of our operations since January 1, 2024. This calculation includes the opening net value of trade receivables of Kyowa Kirin China in the numerator and its revenue for the nine months ended September 30, 2024 in the denominator, resulting in 55 days.

Trade receivables turnover days decreased from 87 days in 2023 to 55 days in 2024 and 45 days in 2025, primarily due to our refinement of distributor selection, favoring those with more frequent payment cycles, and continued improvements in collection efficiency.

As of April 30, 2026, approximately RMB221.2 million or 95.6% of the outstanding balance of our trade receivables as of December 31, 2025 had been settled.

The following table sets forth the movements in the loss allowance for impairment of trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
As of beginning of year	2,610	1,498	2,085
(Reversal of impairment losses)/impairment losses	(719)	(370)	(620)
Acquisition of a subsidiary	1,759	957	—
Amount written off as uncollectible	(2,152)	—	—
At the end of year	1,498	2,085	1,465

The following table sets forth the information about the credit risk exposure on our Group's trade and bills receivables using a provision matrix as of the dates indicated:

	As of December 31,		
	2023	2024	2025
Expected credit loss rate	1.08%	1.08%	0.63%
Gross carrying amount *(RMB'000)*	138,418	192,402	232,851
Expected credit losses *(RMB'000)*	1,498	2,085	1,465

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets consisted of (i) acquisition price adjustment receivable, representing the receivable arising from the final purchase price adjustment for the Kyowa Kirin China Acquisition, which reflects differences between the preliminary consideration and the final amount determined under the definitive acquisition agreements based on agreed metrics between the valuation date and completion date. Specifically, the difference results from the post-closing purchase price adjustment, which replaces the estimates used to calculate the closing purchase price at closing with the actual figures determined after closing to calculate the final purchase price. Pursuant to the definitive acquisition agreements, the closing purchase price is the base valuation adjusted for estimated working capital, cash and debt based on the target's historical financial statements; following closing, those estimates are replaced with the actual working capital, cash and debt calculated through the specified closing statement process tied to the target's balance sheet and other financial statements and data as of September 30, 2024. The final purchase price was lower than the closing purchase price paid at closing, resulting in an acquisition price adjustment receivable; (ii) deposits and other receivables; (iii) prepayments; and (iv) deductible input value added tax. The following table sets forth a breakdown of our prepayments, other receivables and other assets by nature as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Acquisition price adjustment receivable	—	21,321	—
Deposits and other receivables	7,390	31,711	36,752
Prepayments	6,082	3,715	2,652
Deductible input value added tax	469	579	4,673
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	13,941	57,326	47,040

Our prepayments, other receivables and other assets increased from RMB13.9 million as of December 31, 2023 to RMB57.3 million as of December 31, 2024, primarily due to (i) a significant increase in our deposits and other receivables from RMB7.4 million as of December 31, 2023 to RMB31.7 million as of December 31, 2024, primarily due to (i) the reclassification of a RMB23.7 million deposit from non-current to current assets, which resulted in a significant increase in deposits and other receivables from RMB7.4 million as of December 31, 2023 to RMB31.7 million as of December 31, 2024. The deposit relates to for purchases of pharmaceutical products placed by WinHealth HK with a major supplier and became refundable after the contracts expire on June 30, 2025; and (ii) an acquisition price adjustment receivable of RMB21.3 million as of December 31, 2024.

Our prepayments, other receivables and other assets decreased by 17.9% from RMB57.3 million as of December 31, 2024 to RMB47.0 million as of December 31, 2025, primarily due to the settlement of an acquisition price adjustment receivable of RMB21.3 million in connection with the Kyowa Kirin China Acquisition, partially offset by (i) an increase in deductible input value added tax due to year-end procurement activities, and (ii) deferred **[REDACTED]** expense capitalized in relation to the new share issuance.

As of April 30, 2026, approximately RMB7.7 million or 16.3% of the outstanding balance of our prepayments, other receivables and other assets as of December 31, 2025 had been subsequently settled or utilized.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss recorded as current assets amounted to nil, RMB10.0 million and nil as of December 31, 2023, 2024 and 2025, respectively. These were short-term, capital-guaranteed wealth management products issued by major banks in Chinese mainland, purchased to optimize the utilization of idle cash. All such products were fully redeemed subsequent to the reporting period. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

Our policy regarding such assets is focused on treasury management rather than speculative investment. Given the low-risk profile and short duration of these bank products, the internal control mechanism delegates authorization to the Chief Financial Officer. Transactions of this nature do not require prior approval from the Board. Our management possesses the necessary expertise in treasury management to oversee these activities. In line with standard corporate practices, such transactions are currently managed under our Group's internal treasury policies with delegated authority. We will continue to adhere to these prudent policies and ensure compliance with applicable requirements following the completion of the **[REDACTED]**, given the nature of these transactions as cash management in the ordinary course of business.

After **[REDACTED]**, we intend to continue our investments in the financial assets at fair value through profit or loss strictly in accordance with the requirements under Chapter 14 of the Listing Rules.

Cash and Bank Balances

We had cash and bank balances of RMB175.2 million, RMB288.3 million and RMB608.0 million, respectively, as of December 31, 2023, 2024 and 2025. During the Track Record Period, our cash and bank balances were primarily denominated in RMB, U.S. dollars, and Hong Kong dollars.

Financial Instruments Issued to Investors

Our financial instruments issued to investors consist of (i) redeemable convertible preferred shares in relation to our Series A Preferred Shares and Series B Preferred Shares issued to certain Pre-**[REDACTED]** investors, the latter comprising new investments from Series B investors and the conversion of convertible loans completed in August 2025. We designated these preferred shares as financial liabilities at fair value through profit or loss; and (ii) convertible loans in relation to the convertible loan facility issued to an investor in February 2024. The loan was fully converted into our Series B Preferred Shares in August 2025. See Note 24 to the Accountants' Report in Appendix I to this document. The following table sets forth a breakdown of our financial instruments issued to investors as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	643,113	696,781	1,245,888
Convertible loans	—	183,389	—
Total	643,113	880,170	1,245,888

Our preferred share liabilities increased from RMB643.1 million as of December 31, 2023 to RMB696.8 million as of December 31, 2024 and RMB1,245.9 million as of December 31, 2025. The increases in our preferred share liabilities were primarily due to an increase in the valuation of our Group, resulting in increased fair value of the preferred shares. Our convertible loan liabilities consist of a convertible loan facility issued to an investor which was fully converted into our Series B Preferred Shares on in August 2025.

Trade Payables

The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	35,920	66,321	134,812
Over one year	818	728	390
Total	36,738	67,049	135,202

Fluctuations in our trade payables during the Track Record Period were primarily attributable to timing differences in procurement and settlement of drug products near the end of each reporting period. Payable balances tended to be higher when purchases were concentrated closer to the reporting date, as these amounts had not yet been settled.

Our trade payables turnover days (calculated as the average balance of the opening and closing book value of trade payables in a period divided by cost of sales for the same period multiplied by 360 days for the years ended December 31, 2023 and 2025) were 56 and 45 days, respectively, for the years ended December 31, 2023 and 2025.

For comparative purposes, we have estimated trade payables turnover days for the year ended December 31, 2024 as if Kyowa Kirin China, which we acquired in September 2024, had been part of our operations since January 1, 2024. This calculation includes the opening book value of trade payables of Kyowa Kirin China in the numerator and its cost of sales for the nine months ended September 30, 2024 in the denominator, resulting in 52 days.

Trade payables turnover days decreased from 56 days in 2023 and 52 days in 2024 to 45 days in 2025, primarily due to our improved operating cash inflows, which enabled us to shorten payment cycles and strengthen relationships with long-term suppliers.

As of April 30, 2026, approximately RMB127.5 million, or 94.3% of the outstanding balance of our total trade payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consisted of (i) accrued expenses; (ii) consideration payables; (iii) payroll payables; (iv) other payables, primarily representing deposits from customers; (v) contract liabilities, representing payments received or due to (which is earlier) from a customer before we transfer the related goods or services; (vi) other tax payables; (vii) compensation payables. The following table sets forth a breakdown of our other payables and accruals by nature for the periods indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Accrued expenses	60,513	69,716	84,552
Consideration payables	6,735	79,200	7,200
Payroll payables	37,693	55,620	66,815
Other payables	12,038	55,646	37,659
Contract liabilities	154,905	46,255	39,409
Other tax payables	3,645	16,478	15,576
Compensation payables	29,672	—	—
Total	305,201	322,915	251,211

Our other payables and accruals further increased by 5.8% to RMB322.9 million as of December 31, 2024, primarily due to (i) the increase of RMB72.5 million in consideration payables, reflecting the recognition of purchase price obligations related to the Kyowa Kirin China Acquisition, (ii) the increase of RMB43.6 million in other payables, and (iii) the increase of RMB17.9 million in payroll payables, partially offset by the decrease of RMB108.7 million in contract liabilities primarily due to the delivery of pre-sold pharmaceutical products in 2024.

Our other payables and accruals decreased by 22.2% from RMB322.9 million as of December 31, 2024 to RMB251.2 million as of December 31, 2025, primarily due to (i) the decrease of RMB72.0 million in consideration payables, mainly attributable to the settlement of purchase price obligations related to the Kyowa Kirin China Acquisition, (ii) the decrease of RMB18.0 million in other payables, and (iii) the decrease of RMB6.8 million in contract liabilities primarily due to the delivery of pre-sold pharmaceutical products in 2025, partially offset by (i) the increase of RMB14.8 million in accrued expenses, and (ii) the increase of RMB11.2 million in payroll payables.

As of April 30, 2026, approximately RMB182.5 million, or 72.6% of the outstanding balance of our other payables and accruals as of December 31, 2025 had been subsequently settled.

Lease Liabilities

Our lease liabilities were RMB6.7 million, RMB12.8 million and RMB12.9 million as of December 31, 2023, 2024 and 2025.

Income Tax Payable

Our income tax payable represented our corporate income tax payable. Our income tax payable was nil as of December 31, 2023, because our major operating entities recorded tax losses during these periods. Our income tax payable was RMB9.7 million and RMB12.2 million, respectively, as of December 31, 2024 and December 31, 2025, primarily due to taxable profits generated by certain subsidiaries, including WinHealth China.

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) buildings, (ii) furniture, fixtures and equipment, (iii) motor vehicles, and (iv) leasehold improvements. The following table sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Buildings	—	70,308	62,184
Furniture, fixtures and equipment	1,701	37,461	26,676
Motor vehicles	898	1,193	836
Leasehold improvements	1,003	1,601	765
Total	3,602	110,563	90,461

Our property, plant and equipment significantly increased from RMB3.6 million as of December 31, 2023 to RMB110.6 million as of December 31, 2024 primarily attributable to the increases in buildings, furniture, fixtures and equipment due to the Kyowa Kirin China Acquisition in September 2024.

Our property, plant and equipment decreased by 18.2% from RMB110.6 million as of December 31, 2024 to RMB90.5 million as of December 31, 2025, primarily attributable to the depreciation charges for the full year, in particular in respect of buildings and equipment acquired as part of the Kyowa Kirin China Acquisition in September 2024, being the first full year of depreciation following the acquisition.

Right-of-use Assets

Our right-of-use assets mainly consist of ownership interests in leasehold land and office premises, with remaining lease term of 23 years and two to five years, respectively. The following table sets forth a breakdown of the net book value of our right-of-use assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Leasehold land	—	162,657	155,508
Office premises	6,717	12,428	13,790
Total	6,717	175,085	169,298

Our right-of-use assets significantly increased from RMB6.7 million as of December 31, 2023 to RMB175.1 million as of December 31, 2024, primarily attributable to the recognition of RMB164.4 million related to leasehold land acquired as part of the Kyowa Kirin China Acquisition. Our right-of-use assets remain relatively stable at RMB175.1 million as of December 31, 2024 and RMB169.3 million as of December 31, 2025.

Goodwill

As of December 31, 2025, our goodwill arose from our acquisition of Dr. Dünner AG in 2023. We recorded goodwill of RMB8.9 million as of December 31, 2023 and 2024, and as of December 31, 2025, respectively. The carrying amounts of goodwill of RMB8.9 million were allocated to Dr. Dünner AG due to our acquisition of the company in 2023.

Impairment Testing of Goodwill

Goodwill acquired through business combinations is allocated to DDAG products cash-generating unit ("**DDAG CGU**") for impairment testing. The carrying amount of goodwill allocated to the cash-generating unit is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
DDAG CGU	8,907	8,907	8,907

The key assumptions used in the DDAG CGU value-in-use calculations are as follows:

	Annual revenue growth rate	Terminal growth rate	Pre-tax discount rate	Period of cash flow projections
As of December 31, 2023	4%–41%	1.0%	17.87%	5 years
As of December 31, 2024	4%–16%	1.0%	18.11%	5 years
As of December 31, 2025	1%–17%	1.0%	18.21%	5 years

Annual revenue growth rate for the 5-year period — The basis used to determine the value assigned to the annual revenue growth rate is the average annual revenue growth rate achieved in the year immediately before the budget year, increased for expected market development.

Terminal growth rate — The forecasted terminal growth rate is based on senior management's expectations and does not exceed the long-term average growth rate for the industry relevant to the cash-generating unit.

Pre-tax discount rate — The pre-tax discount rate used reflects specific risks relating to the cash-generating unit.

The values assigned to the key assumptions are consistent with external information sources.

Sensitivity analysis and headroom

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Recoverable amounts			
DDAG	19,782	18,886	20,926
Headroom			
DDAG	1,396	2,080	2,860
Sensitivity test headroom			
Revenue decreases by 1%	854	1,663	2,400
Terminal growth rate decreases by 0.5%	778	1,717	2,318
Pre-tax discount rate increases by 0.3%	759	1,648	2,278

Sensitivity to changes in assumption

Any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount. By applying a certain basis point increase in the discount rate, decrease in the revenue and terminal growth rate as follows would result in the recoverable amount of the cash-generating unit being approximately equal to its carrying value.

	As at December 31,		
	2023	**2024**	**2025**
	Basis point	*Basis point*	*Basis point*
DDAG			
Decrease in revenue	25.78%	26.33%	27.55%
Decrease in terminal growth rate	10.88%	27.33%	46.56%
Increase in pre-tax discount rate	0.63%	1.07%	1.59%

Other Intangible Assets

Our other intangible assets primarily consisted of (i) software; and (ii) distribution and promotion rights, representing contractual agreements granting us the exclusive or non-exclusive right to distribute and/or promote drug products owned or licensed by third parties. Both components are amortized on a straight-line basis over the useful economic life and are assessed for impairment. The estimated useful life of distribution and promotion rights is three to 15 years. Our Directors had not identified any material impairment in relation to the intangible assets associated with these products as of December 31, 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of our intangible assets by product as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Software	218	13,098	11,765
Distribution and promotion rights	208,099	341,682	347,865
Total	208,317	354,780	359,630

Our intangible assets increased from RMB208.3 million as of December 31, 2023 to RMB354.8 million as of December 31, 2024, primarily due to the acquisition of rights for multiple WinHealth China products following the acquisition. This item remained relatively stable at RMB354.8 million as of December 31, 2024 and RMB359.6 million as of December 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth selected cash flow data from our cash flow statements for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from operating activities	202,002	31,589	96,752
Net cash flows used in investing activities	(162,645)	(364,800)	(103,990)
Net cash flows from financing activities	14,658	444,787	327,200
Net increase in cash and cash equivalents	54,015	111,576	319,962
Cash and cash equivalents at beginning of year	121,792	175,245	288,319
Effects of foreign exchange rate changes, net	(562)	1,498	(234)
Cash and cash equivalents at end of year	175,245	288,319	608,047

Net cash from operating activities

For the year ended December 31, 2025, we had net cash inflow from operating activities of RMB96.8 million, primarily due to a loss before tax of RMB55.6 million, adjusted to reflect mainly (i) fair value change in financial instruments issued to investors of RMB238.2 million, (ii) amortization of other intangible assets of RMB37.6 million, (iii) finance costs of RMB26.1 million, (iv) depreciation of property, plant and equipment of RMB17.5 million, (v) impairment of inventories of RMB13.2 million, and (vi) depreciation of right-of-use assets of RMB12.3 million, partially offset by (vii) interest income of RMB2.4 million, and (viii) changes in working capital. Adjustments for changes in working capital primarily consist of (i) an increase in inventories of RMB134.6 million, and (ii) an increase in trade and bills receivables of RMB40.4 million, partially offset by (iii) an increase in trade payables, accruals and other payables of RMB64.6 million, and (iv) a decrease in prepayments, other receivables and other assets of RMB6.3 million.

For the year ended December 31, 2024, we had net cash inflow from operating activities of RMB31.6 million, primarily due to profit before tax of RMB11.5 million, adjusted to reflect mainly (i) fair value change in financial instruments issued to investors of RMB47.4 million, (ii) amortization of intangible assets of RMB19.4 million, and (iii) finance costs of RMB18.2 million, partially offset by (iv) gain on disposal of distribution and promotion rights of RMB27.5 million, and (v) changes in working capital. Adjustments for changes in working capital primarily consist of an increase in trade payables, accruals and other payables of RMB128.0 million, partially offset by a decrease in inventories of RMB43.8 million.

For the year ended December 31, 2023, we had net cash inflow from operating activities of RMB202.0 million. Although we recorded a loss before tax of RMB16.9 million, favorable changes in working capital and adjustments for non-cash items resulted in positive operating cash flow. Changes in working capital contributed to net cash inflow from operations, primarily consisting of (i) a decrease in trade and bills receivables of RMB164.2 million, (ii) a decrease in prepayments, other receivables and other assets of RMB24.9 million, partially offset by (iii) an increase in inventories of RMB66.6 million. Adjustments for non-cash items also added back to net cash inflow from operations, primarily including (i) impairment of inventories of RMB45.8 million and (ii) finance costs of RMB18.9 million.

Net cash used in investing activities

For the year ended December 31, 2025, we had net cash flow used in investing activities of RMB104.0 million. This net cash outflow was primarily due to (i) the settlement of the remaining consideration payable of RMB72.0 million in connection with the Kyowa Kirin China Acquisition, (ii) additions to other intangible assets of RMB41.6 million, partially offset by (iii) proceeds from disposal of financial assets at fair value through profit or loss of RMB10.0 million.

For the year ended December 31, 2024, we had net cash flow used in investing activities of RMB364.8 million. This net cash outflow was primarily due to acquisition of subsidiaries of RMB399.6 million, partially offset by proceeds from sales of the product exclusive rights of RMB106.4 million.

For the year ended December 31, 2023, we had net cash flow used in investing activities of RMB162.6 million. This net cash outflow was primarily due to (i) additions to other intangible assets of RMB148.5 million; and (ii) acquisition of subsidiaries of RMB14.1 million.

Net cash from financing activities

For the year ended December 31, 2025, we had net cash flow from financing activities of RMB327.2 million. This net cash inflow was primarily due to (i) issuance of financial instruments issued to investors of RMB538.0 million relating to the issuance of Series B Preferred Shares; and (ii) proceeds from bank loans of RMB384.5 million, partially offset by (iii) repayment of bank loans of RMB338.0 million, (iv) repurchase of financial instruments issued to investors of RMB225.3 million, (v) interest paid of RMB25.4 million, and (vi) lease payments of RMB6.6 million.

For the year ended December 31, 2024, we had net cash flow from financing activities of RMB444.8 million. This net cash inflow was primarily due to (i) proceeds from bank loans of RMB568.3 million; and (ii) repayment of bank loans of RMB276.7 million.

For the year ended December 31, 2023, we had net cash flow from financing activities of RMB14.7 million. This net cash inflow was primarily due to (i) proceeds from bank loans of RMB421.7 million; and (ii) repayment of bank loans of RMB382.5 million.

Working Capital Sufficiency

Our primary use of cash is for operations and investments in purchases of drug product rights and strategic acquisitions of suitable targets. During the Track Record Period, we financed our operations primarily through cash generated from our operating activities, bank loans, and capital contribution from shareholders. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

Taking into account our operating cash flow, the **[REDACTED]** from the **[REDACTED]** and the financial resources available to us, in the absence of unforeseeable circumstances, our Directors are of the view, and the Sole Sponsor concurs with our Directors that, we have sufficient working capital for our present requirements, for at least 12 months from the date of this document.

INDEBTEDNESS

Our indebtedness consisted of interest-bearing bank loans, lease liabilities and financial instruments issued to investors. The following table sets forth a breakdown of our indebtedness as of the date indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)
Non-current				
Interest-bearing bank loans	—	272,702	210,771	210,580
Lease liabilities	2,246	7,768	4,580	6,716
Current				
Financial instruments issued to investors	643,113	880,170	1,245,888	1,329,041
Interest-bearing bank loans	277,053	296,311	404,815	160,343
Lease liabilities	4,426	5,041	8,303	3,455
Total	**926,838**	**1,461,992**	**1,874,357**	**1,710,135**

Financial Instruments Issued to Investors

Our financial instruments issued to investors consist of (i) redeemable convertible preferred shares in relation to our Series A Preferred Shares and Series B Preferred Shares issued to certain Pre-**[REDACTED]** investors, the latter comprising new investments from Series B investors and the conversion of convertible loans completed in August 2025; and (ii) convertible loans in relation to the convertible loan facility issued to an investor in February 2024. The loan was fully converted into our Series B Preferred Shares in August 2025. See "— Description of Major Line Items in Our Consolidated Statements of Financial Position — Financial instruments issued to investors."

Interest-bearing Bank Loans

The current portion of our interest-bearing bank loans were mainly used for our daily operation. The non-current portion of interest-bearing bank loans we recorded as of December 31, 2025 were mainly used for the financing of the Kyowa Kirin China Acquisition. During the Track Record Period, the interest rate of our interest-bearing bank loans ranges from 3.8% to 4.9%.

Our interest-bearing bank loans were primarily secured by pledges on various assets, including trade receivables of certain subsidiaries, equity interest in certain subsidiaries, and property, plant and equipment and land, and were guaranteed by certain of our directors, see Note 27 in Appendix I to this document for more details. We expect these director guarantees to be released upon **[REDACTED]**, see "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Financial Independence" for more details.

The following table sets forth a maturity profile of our interest-bearing bank loans as of the date indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	277,053	296,311	404,815
After one year but within two years	—	—	—
After two years but within five years	—	272,702	210,771
Total interest-bearing bank loans	**277,053**	**569,013**	**615,586**

Our interest-bearing bank loan agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that we did not experience any difficulty in obtaining interest-bearing bank loans, default in payment of interest-bearing bank loans or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Given our credit history and our current credit status, we believe that we will not encounter any difficulties in obtaining additional interest-bearing bank loans in the future.

Save as disclosed above, as of April 30, 2026, being the latest practicable date for determining our indebtedness, 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, or guarantees or other contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness since April 30, 2026 and up to the date of the document.

As of April 30, 2026, we had committed unutilized banking facilities of approximately RMB849 million.

Lease Liabilities

We recognize lease liabilities at the commencement date of a lease at the present value of lease payments to be made over the lease term. Such lease liabilities were primarily related to the leases of our land and office premises. Our recorded lease liabilities of RMB6.7 million, RMB12.8 million and RMB12.9 million as of December 31, 2023, 2024 and 2025, primarily attributable to new leases and payments.

CAPITAL EXPENDITURE

For the years ended December 31, 2023, 2024, and 2025 our capital expenditure amounted to RMB162.6 million, RMB461.2 million and RMB114.0 million, respectively. Our capital expenditure during the Track Record Period consisted of (i) purchases of items of property, plant and equipment; (ii) additions to other intangible assets; and (iii) acquisition of subsidiaries. The following table sets forth a breakdown of our capital expenditure for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchases of items of property, plant and equipment	(96)	(3,191)	(408)
Additions to other intangible assets	(148,464)	(58,425)	(41,583)
Acquisition of subsidiaries	(14,087)	(399,624)	(72,000)
	(162,647)	(461,240)	(113,991)

We intend to fund our planned capital expenditures through capital contribution from shareholders, bank loans, and cash generated from operating activities. Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the market and changes in the regulatory environment. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

CONTRACTUAL COMMITMENTS

As of December 31, 2025, we did not have any significant contractual commitments.

RELATED PARTY TRANSACTIONS

Except for the interest-bearing bank loans, which were secured by the pledge of trade receivables of certain of our subsidiaries or guaranteed by certain of our directors discussed in "— Indebtedness — Interest-Bearing Bank Loans" above and the key management remuneration disclosed in Note 8 to the Accountants' Report in Appendix I to this document, there were no other related party transactions during the Track Record Period.

Our interest-bearing bank loans were primarily secured by pledges on various assets, including trade receivables of certain subsidiaries, equity interest in certain subsidiaries, and property, plant and equipment and land, and were guaranteed by certain of our directors, see Note 27 in Appendix I to this document for more details. We expect these director guarantees to be released upon **[REDACTED]**, see "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Financial Independence" for more details.

KEY FINANCIAL RATIOS

The following table sets forth our certain selected financial ratios as of the date indicated:

	As of December 31,		
	2023	2024	2025
Current ratio(1)	37%	46%	58%
Quick ratio(2)	26%	35%	43%

Notes:

(1) Calculated as total current assets divided by total current liabilities.

(2) Calculated as total current assets (less inventories) divided by total current liabilities.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Our Group's major financial instruments include cash and bank balances, short term deposits, lease liabilities, and interest-bearing bank loans. The risks associated with these financial instruments include interest rate risk, foreign currency risk, credit risk, and liquidity risk. See Note 39 to the Accountants' Report in Appendix I to this document for more information.

Interest Rate Risk

Our Group's exposure to the risk of changes in market interest rates relates primarily to our Group's interest-bearing bank loans with floating interest rates. Management closely monitors the interest rate exposure and assesses its impact on our Group's performance.

Foreign Currency Risk

Our Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units and financing activities in currencies other than the units' functional currencies. Management conducts periodic review of exposure and settlements of various currencies and will consider hedging significant foreign currency exposures should the need arise. See Note 39 to the Accountants' Report in Appendix I to this document for more information.

Credit Risk

Credit risk refers to the risk that our Group's counterparties default on their contractual obligations resulting in financial losses to our Group. Our Group's credit risk exposures are primarily attributable to trade receivables, financial assets included in other non-current assets, financial assets included in prepayments, other receivables and other assets, and bank balances. Our Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing. See Note 20 to the Accountants' Report in Appendix I to this document for more information.

Liquidity Risk

Our primary objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations. See Note 39 to the Accountant's Report in Appendix I to this document for more details.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value. We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

DIVIDENDS AND DIVIDEND POLICY

We are a holding company incorporated under the laws of the British Virgin Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. If we or any of our subsidiaries incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends. During the Track Record Period, we did not declare or pay any dividend. As of the Latest Practicable Date, we do not have a formal dividend policy or a fixed dividend distribution ratio.

Any future determination to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that our Board deems relevant. As advised by our BVI legal advisor, so long as we satisfy, on reasonable grounds, the solvency test, namely, (i) the value of our assets exceeds our liabilities, and (ii) we are able to pay our debts as they become due immediately after the distribution, our Directors may authorize a distribution by way of dividend at a time and of such an amount as they see fit, subject to our Memorandum and Articles of Association. Thus, the declaration, payment and amount of dividends will be subject to our Directors' discretion, if they are satisfied, on reasonable grounds, that immediately after the payment of the dividend, the value of our Company's assets will exceed its liabilities and our Company is able to pay its debts as they fall due. **[REDACTED]** should not **[REDACTED]** our shares with the expectation of receiving cash dividends.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSES

[REDACTED] expenses represent **[REDACTED]**, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. For the years ended December 31, 2023, 2024 and 2025, the **[REDACTED]** expenses incurred amounted to **[REDACTED]**, **[REDACTED]** and HK$**[REDACTED]**, respectively. We expect to incur total **[REDACTED]** expenses of approximately HK$**[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the **[REDACTED]** of the **[REDACTED]** range). HK$**[REDACTED]** was charged to profit or loss for year ended December 31, 2025 and the remaining HK$**[REDACTED]** was recognized as a deduction from equity as of December 31, 2025. The total **[REDACTED]** consist of approximately HK$**[REDACTED]** **[REDACTED]** fees (including SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) and approximately HK$**[REDACTED] [REDACTED]** fees mainly including (i) **[REDACTED]** of approximately HK$**[REDACTED]**; and (ii) other fees and expenses of approximately HK$**[REDACTED]**. Subsequent to December 31, 2025, among the total **[REDACTED]**, approximately HK$**[REDACTED]** is expected to be charged to profit or loss; and approximately HK$**[REDACTED]** directly attributable to the issue of the Shares, which is expected to be deducted from equity upon the completion of the **[REDACTED]**. Our total **[REDACTED]** expenses are estimated to account for **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

See "**[REDACTED]** Financial Information" in Appendix II to this document for further details of our **[REDACTED]** statement of adjusted combined net tangible assets.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

See "Summary — Recent Development" for our recent developments that occurred subsequent to the Track Record Period. After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rule 13.13 to 13.19 of the Listing Rules.